CBC: THE BIG PICTURE

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Broadcasting Policy

by

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I

One who studies the place of the CBC in Canadian broadcasting as a whole with a view toward suggesting improvements theoretically should examine all options, including a dismantling of the CBC and assignment of its functions to other bodies, public or private, or possibly a declaration that the Corporation now serves no useful purpose, and that its abolition without replacement is the wisest course of action.

This writer will not pursue such a radical line of investigation or make such recommendations for several reasons. First, in full-length studies of the history of Canadian broadcasting my conclusion has been that a national broadcasting service, publicly supported, is an essential element in a system able to reflect and serve the particular interests and needs of Canadians. Second, previous public inquiries (whether by royal commissions, advisory committees, task forces, or parliamentary committees) have emphasized the necessity for a public corporation, properly shielded from direct political interference, to provide a programming

service that will inform and entertain Canadian listeners and viewers, and facilitate communication among and between Canadians. Third, whenever Canadian public opinion has been sampled in the last twenty-five years, we find that a large majority approves of the objectives set out for the CBC, and clear majorities in both English and French Canada feel that the CBC is fulfilling its objectives either "very well" or fairly well.*

Approval of national objectives in broadcasting, and of the CBC's performance, does not diminish the evidence that Canadians (particularly English-speaking Canadians) value their free access to television programs originating in the United States. A further question in the 1984 survey reveals that given the hypothetical choice of only one TV station, 35% of anglophones would choose a U.S. station,

* In the latest full-scale survey conducted by Canadian Facts, about 90% of those interviewed thought it important that Canada have a service such as the CBC. The sample of 2900 adults was also asked how well they thought CBC was fulfilling eight objectives. From 60% to 90% of those with an opinion responded positively. ("How do Canadians Feel About the CBC?" CBC Research, June 1985.) The percentages of approval for CBC <u>radio</u> are slightly higher, but the sample was smaller, since only about a third of the population listen frequently to CBC radio.

In 1962 a similar survey showed an even higher measure of approval. In that year, of course, Canadian viewers did not have the range of choice they would have 22 years later. ("What the Canadian Public Thinks of the CBC," CBC Research, Ottawa, 1963)

32% would choose CBC, and 31% would choose a CTV station.

A fourth reason for ignoring the option of simply doing away with the CBC is linked to political realities. That option in effect has been declared outside the bounds of public policy by government spokesmen. When a Toronto business group was being recruited to make an offer of purchase for the CBC English-language TV network, the Prime Minister said, "The CBC is not for sale."* The Minister of Communications elaborated the need for a public broadcasting agency:

> This Progressive Conservative government intends to ensure that public broadcasting not only survives, but prospers in the coming years... that Canadian public broadcasting, which is an integral part of the cultural fabric of this country, continues to be of importance to Canadians and continues to be relevant to their lives as citizens of the world of the 1980's and 90's.

The minister spoke of the CBC's role in covering events of national importance, such as the National Economic Summit, and commented:

> The CBC was there.... And through the CBC, the nation was able to see and hear their spokesmen and their leaders debating the issues of national concern. Only a public broadcaster could do this...

*See Globe and Mail, Toronto, 15 January 1985.

could devote hours of valuable television time to an event of broad public importance and allow the nation to share in the experience.*

Eighteen months previously, a policy statement of the then Liberal government declared that the CBC was "a national institution which has woven itself into the very fabric of our national consciousness over the last 50 years," and that any new policy measures should "ensure a stronger and more distinctive CBC which will continue to serve as a crucial component of an identifiably Canadian broadcasting system." **

Given these statements by successive governments (drawn from contending political parties), it does not seem worth while to examine the arguments for abolition of the CBC. Rather, our assumption will be that the CBC will continue as the prime agency for public broadcasting in Canada, that it will share the broadcasting field with certain other public agencies (some of them provincial in scope), and with numerous private broadcasters, distributors, and production companies that this country has developed over the years.

*Marcel Masse, address at Ryerson Polytechnical Institute, Toronto, 26 March 1985

**Francis Fox, Minister of Communications, "Building for the Future: towards a distinctive CBC," October 1983

The questions will be how well the CBC is positioned and financed to serve its mandate, whether that mandate requires modification, how the CBC might respond to its changing environment, how it can best share the national task with other players, and whether public policy must be changed if the CBC is to perform its several roles in line with our reasonable expectations.

We begin by reviewing the CBC as a programming organization, relating its performance to the statutory objectives (or legislative mandate) set out in the Broadcasting Act of 1968. We proceed from there with a discussion of the problems of distribution, then of organization and structure, and return to questions of accountability, possible changes in legislation, and revision of the mandate.

II

THE PROGRAMMING MANDATE

Until 1968, the broadcasting legislation had not been at all specific about what was expected of the CBC as a programming organization. The 1958 act, for example, said merely that the Corporation was established "for the purpose of operating a national broadcasting service." In furtherance of this object, it had powers to "originate and secure programs, from within or outside Canada," to make contracts "in connection with the production or presentation of the programs of the Corporation," to collect news, to publish and distribute printed matter "conducive to any of the objects of the Corporation," and of course to maintain and operate stations and networks (Section 29).

Otherwise, the CBC under the 1958 act was bound only by the regulations of the Board of Broadcast Governors and the general provisions of Section 10 -- which bound the private stations and networks in exactly the same way. Under Section 10, the national system (public and private) was to provide "a varied and comprehensive broadcasting servie of a high standard that is basically Canadian in content and character."

With the 1968 act, the objectives of the national broadcasting service (the CBC) were made more specific. The minister, Judy LaMarsh, explained:

> Before this the C.B.C. was set up and, as it were, created its own mandate. This bill for the first time tells the C.B.C. what Parliament expects it to do, the general terms of course. Section 15 charges the regulatory authority with seeing that the C.B.C. lives up to that mandate.
>
> (Senate Standing Committee on Transport and Communications, Proceedings, 20 Feb. 1968, p. 43)

In truth, the CBC had had a lot of practice in defining its mandate -- in annual reports, and in submissions to parliamentary committees and royal commissions. The CBC's Annual Report 1959-1960, for example, outlined the central features of its mandate (pp. 11-12) in terms that reappear almost word for word in the 1968 legislation:

> The Corporation believes a national broadcasting service must:
>
> BE A COMPLETE SERVICE, covering in fair proportion the whole range of programming, bringing things of interest, value, and entertainment to people of all tastes, ages, and interests, and not concentrating on some aspects of broadcasting to the exclusion of others.
>
> LINK ALL PARTS OF THE COUNTRY in two ways:
> (1) through the inclusion of a wide variety of national and common interests in its program services;
> (2) by using its physical resources to bring the national program service to as many Canadians as finances allow. Whether Canadians live in remote or heavily-populated areas the national system should serve them as adequately and equitably as possible.

BE PREDOMINANTLY CANADIAN IN CONTENT AND CHARACTER. It should serve Canadian needs and bring Canadians in widely-separated parts of the country closer together, contributing to the development and preservation of a sense of national unity.

SERVE EQUITABLY the two main language groups and cultures, and the special needs of Canada's various geographical regions.

In later versions, a few phrases were added that also appear in the 1968 mandate: "a continuing expression of the Canadian identity," "actively contribute to the flow of information, entertainment and understanding between cultures and between regions." (See Report of the 1965 [Fowler] Committee on Broadcasting, pp. 124-5: "We are disposed to accept the mandate substantially as it has been defined by the CBC.")

The tradition was there, and had been for many years, before and after the arrival of television. However, in 1968 the Government decided that public expectations for both the CBC and private broadcasters must be spelled out in the Broadcasting Act.

Now, using key phrases from the CBC's legislative mandate, we shall try to determine whether the program goals are still appropriate under the conditions of 1985, and how the CBC has responded.

III

PROGRAMS

1. "A balanced service"

According to the Broadcasting Act, both the CBC and the broadcasting system as a whole are to provide a balanced and comprehensive service:

the CBC: "a balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes, covering the whole range of programming in fair proportion."

the system: "programming ... varied and comprehensive."

The question is whether a full range of programs should be accessible to Canadians through the CBC, or whether such balance and variety is more properly a function of the system as a whole.

Several options may be contemplated:

1. Leave the CBC's responsibility as now defined.
2. Establish separate goals for CBC television and CBC radio in terms of balance and comprehensiveness.
3. Ask the CBC to present programs of high social purpose, in the expectation that other broadcasters will provide suitable balance.

4. Limit the CBC to programming that the private sector is unable or unwilling to originate.

5. Define the CBC's responsibilities in such a way that it will concentrate on programs that are inexpensively produced or acquired.

According to its 1984-85 Annual Report, the CBC classifies programs in the English TV network under these headings: News (including News specials); Current Affairs; Drama; Variety; Children's programs; Arts, music and science; and Sports. (Agriculture and Resources disappeared as a separate category. Programs such as "Country Calendar" and "This Land" are subsumed in Current Affairs, as are religious programs such as "Man Alive.") The program classification is similar in CBC French television, with some variations.

In radio, the variations in program emphasis on the French and English networks are of some importance, but less important than differences between the FM Stereo and monaural radio networks of either language. (On the English side, the monaural radio network encompasses AM and some FM stations.)

CBC Radio

PROGRAM AREAS	MONAURAL		FM STEREO	
	French	English	French	English
	(Percentages)		(Percentages)	
News	11	12	2	7
Current (Public) Affairs	14	18	-	-
General Interest (Fr.)	14		1	
Cultural (Fr.)	4		18	
Features, Humanities (Engl)		6		1
Drama	-	1	-	1
Serious music (Fr.)	2		67	
Music (Engl)		15		60
Jazz & variety (Fr.)	24		11	
Variety (Engl)		19		31
Sports	7	1	-	-
Local/regional	24	28	1	1

Source: CBC Annual Report, 1984-1985
Percentages are for one representative week in 1984

We see that the "whole range of programming" can be given different interpretations according to the medium in use: television, AM radio, and FM Stereo radio; and according to the perceived interests and tastes of the audience each service hopes to attract. For example, Sports is a less prominent category in network radio than in network television. Dramatic programs are more prominent in television than in radio; they would receive even more time on television if the networks could afford them.

The need for advertising revenue on television also affects program selection and balance, though less so on CBC television than was once the case.

The size of the television audience differs greatly according to the time of day, as does audience attentiveness. A listing of total hours in a 19-hour day can therefore be misleading. The hours that most interest programmers, advertisers, interest groups and social critics are those in prime time -- approximately 7 to 11 p.m. Hours outside prime time are certainly important -- for example, the hours when children are likely to watch television, or the breakfast period on CTV ("Canada A.M.") in which the CBC network does not compete. The essential point, however, is that for adult viewers the quality of a network's service is reflected especially in the schedule between 7:30 and 11:00 p.m. (since local stations usually control the period from 7:00 to 7:30).

To make exhaustive analyses of CBC television schedules is outside the scope of this paper, but a comparison of prime time (7:30 - 11:00) on the flagship stations of the CBC English network (CBLT) and on the CTV network (CFTO) might be instructive. I have looked at the schedules

announced for the week of October 20, Sunday to Saturday; the program classifications are mine rather than those of the originating network.

SCHEDULED PROGRAMS, 7:30 - 11:00 p.m., WEEK OF OCTOBER 27, 1985

	(HOURS)		(PERCENTAGES)	
	CBLT	CFTO	CBLT	CFTO
News	2½	-	10%	-
Current affairs, magazine pgms.	5½	2	22%	8%
Drama (including film, situation comedy	10*	18½	41%*	76%
Variety, skits, panel shows	1½	2**	6%	8%**
Arts, music, science, nature	2	½	8%	2%
Sports	3	1½	12%	6%
	(24½)	(24½)	(100%)	(100%)

*CBLT: Sunday, Oct. 27 included a two-hour drama/documentary on Hal C. Banks ("Canada's Sweetheart"), classified as drama. On most Sundays, there are other "specials" or Canadian films.

**CFTO: Scheduled programs this week included 1½ hours of the Miss Canada Pageant, thus inflating the "Variety" totals. Regularly scheduled programs in this period are in the drama category.

On Sunday, Oct. 27 programs after 8:00 p.m. were pre-empted by the seventh game of World Series baseball, but this pre-emption was not counted as a "scheduled program." The programs originally scheduled were MacGyver (ABC, drama); Crazy Like a Fox (CBS, drama); and W5 (CTV, current affairs).

One should not make too much of the totals in particular categories. These may vary from week to week, "specials" may intrude, and within a single category such as "drama" or "current affairs" the level of entertainment or information may fluctuate wildly. But it is noteworthy that about 40 per cent of the programs in prime time on CBLT can be described as "informational" in intent, whereas CFTO has over 75% of its scheduled programs in one category -- drama (dramatic series or feature film). Only about 10% of the programs between 7:30 and 11:00 p.m. are primarily informational. (If CFTO's prime time is extended to 11:15 p.m., as may be reasonable given the scheduling of CTV News, the percentage of informational programs after 7:30 p.m. becomes 16% -- 4¼ hours out of a total of 26¼ hours.)

The fact that some 60 per cent of the CBC's TV schedule (English) in prime time is in the entertainment or "performance" categories is crucial in explaining their relatively large share of the viewing audience, as compared with the tiny percentages of viewers in the United States who frequently watch Public Television, or the numbers in Ontario who turn to educational television via TV Ontario. In Great Britain, the schedules of BBC TV-1 and BBC TV-2 are now less easy to distinguish from those of the third

channel of ITV than was once the case. Each of the three channels is appealing to British tastes (and one service has influenced the other). In Canada the trend has been in the opposite direction. Because the CBC has gradually replaced U.S. programs with more Canadian series, its prime time schedules are now more easily distinguished from those of CTV, even though most of its programs are meant to be "popular."

What must also be said is that with three channels -- now four -- in Great Britain devoted mainly to domestic rather than imported programs, the range and variety of programs is much greater, on a regular basis, than is possible in Canada with two national network channels operating in each language. (Global TV, as a third English channel in some parts of the country, has not really changed the program mix that preceded its licensing, except to add to the quantity of U.S. programs available in prime time.)

On the French TV network of the CBC, the proportions of program types vary considerably from the English, but the range of programs seems at least as wide.* Some differences: more hours in the week are devoted to children's and youth

*"Présentation de la Télévision Française, Société Radio-Canada," 30 Octobre 1985, pp. 7-11

programs, and such productions seem to be the object of more attention and the application of a more consistent philosophy. Variety programs such as les Beaux Dimanches occupy a larger part of the schedule. The French network has been notably successful in developing téléromans which find large audiences despite low production costs -- in a way that seems impossible in English Canada. Religious programs are also accorded more time on French-language television. On the other hand, the English network has been earlier or more successful in developing science programming and certain types of current affairs series and documentaries ("The Nature of Things," "The Fifth Estate," "Venture").

It is obvious, even by the crude measure of pro-proportion of time devoted to program categories, that the CBC takes its mandated responsibility seriously -- to provide a "balanced service ... covering the whole range of programming in fair proportion." It is also questionable (to take the example previously cited) whether CFTO fulfils its obligation to contribute its share to a broadcasting system providing programs "varied and comprehensive" and "predominantly Canadian." Although a careful reading of the Broadcasting Act makes it clear that this is what is required

of private stations, the way Section 3 is written allows confusion on this point -- what the CBC's job is, and what is the job of the private stations and networks.

The disparity between CBC programming and that of the private networks has been pointed out so often that one does not need to labour the comparison. So far as we are concerned with the CBC as an institution, the issue is whether, with the resources at its disposal and in the prevailing environment, it can do more to satisfy the diverse interests and needs of Canadian audiences. For example, should the CBC provide more, or more substantial, programs in the "performance" categories (music, dance, theatre, variety), and more in the arts and humanities? One hour a week in the evening devoted to music, the visual arts, history and the other humanities is not enough. One hour for part of the season devoted to science and the natural environment is not enough; nor an hour or a half-hour a week on a limited network devoted to variety performances.

Is this Radio? or P.C. Time?

There is no doubt the CBC should do more in these categories. But such programs are among the most expensive if they are to attract substantial audiences, and they need publicity -- imaginative, sustained, and often costly.

They cannot be procured inexpensively from other production houses if they are to have significant Canadian content. And to increase substantially their share of the evening schedule would be at the expense of other categories that interest even larger audiences -- news, public affairs, sports, feature films, and popular drama.

Expensive production (whether procured or in-house) can be justified only if these programs are placed in hours when there are large numbers of potential viewers. The CBC would be regarded as profligate if it scheduled original and expensive productions in the afternoon or late evening hours. For such programs, viewers must be in the hundreds of thousands, rather than the tens of thousands, or the Auditor-General will be citing these as examples of "waste" to Parliament:

The logic of this suggests <u>either</u> that the system find ways of spreading the load more evenly between the public and private broadcasters, <u>or</u> that the CBC have access to at least one more TV channel in each language, <u>or</u> (and this may be the preferred option) there must be some combination of these two courses of action: more specific demands made of private television, and more channels for distributing CBC programs.

The questions raised on pages 9 and 10 about changing or trimming the CBC's mandate to provide a "balanced service" are perhaps best considered later in the paper, after other factors have been considered and entered into the equation.

2. The CBC is asked to provide programs:

> "in English and French, serving the special needs of geographic regions, and actively contributing to the flow and exchange of cultural and regional information and entertainment."

Parallel services in radio and television operate in Canada's two official languages, and one does not hear many complaints about the balance the CBC has provided between its French and English-language services. Nation-wide coverage for French-language programs was extended more slowly than for the English services -- but that is understandable, given the demographic distribution of the two language groups. Left to market forces, the extension of services to the francophone population would have been much slower and much less complete.

So far as costs are concerned: the expenditures on English-language services are over half as much again compared with French-language services. But the population served is nearly three times as large, and more widely dispersed.

CBC OPERATING EXPENSES, 1984-85

	$ (Millions)	Percentage of CBC total
English television	352.2	32.0%
English radio	100.7	9.1%
		(41 %)
French television	211.3	19.2%
French radio	60.6	5.5%
		(24.7%)

Source: CBC Annual Report, 1984-85, p. 46
CBC Update: TV and Radio: Figures that Count (August 1985), p. 37

On the whole, the allocations the CBC Board of Directors has evolved over the years between the two language services (TV, AM, FM) seem appropriate.

The question of regional programming in relation to national network service is a more perplexing one. It can mean two things. It can mean supplementing the national network service with programs produced or procured within a region, for the region. Or it can mean contributions to the national network from various regional production points.

The latter, it is hoped, will reflect the regional concerns or perspectives, and at the same time interest the national audience as a whole.

This leads to the vexed question, "What is a region?" Is Western Canada a region, or are British Columbia and the Prairies two regions? Are political divisions, such as individual provinces, the focus of regional sentiment? Does the citizen of Winnipeg have much more in common with the resident of Peace River than with, let us say, someone who lives in Toronto or Vancouver?

Another way of looking at regionalism in the 1980s is to consider that urban life is the prevailing mode, and that most Canadians understand best the concerns of some metropolitan area with which they keep in touch. On this basis, one might more properly speak of the "southern Albertan" or Calgary region, rather than the Alberta region or the Prairie region.

These various interpretations have practical implications for the organization of a national broadcasting entity, and particularly for its programming philosophy and practice. In fact Canadians do have strong regional identifications,

buttressed by the degree of autonomy of each province and by promises made at the time national institutions (such as the CBC) were established. Such expectations sometimes fly in the face of economic criteria for delivering services to the population most cheaply or efficiently. In broadcasting terms, it seems that Canadians are unwilling to contemplate a nationally-owned service in which programs are as centralized as they are, for example, on the U.S. commercial networks, which operate almost exclusively out of New York and Hollywood. Foreign broadcasters are amazed that Canada attempts so many program-hours, national, regional, and local, French and English, with a population of 25 million divided on the basis of language.

Whatever the objective set out in the legislative mandate, realities intrude. With North American standards and costs escalating so rapidly, it is not possible to provide full-scale program services tailored to the needs or interests of five or more regions. Some centralization is inevitable. On the other hand, it is clear that Canadian audiences are attracted to stations and channels that provide some local (if not regional) programming. When the CBC has shed affiliates and substituted rebroadcasting transmitters, the public may benefit in the sense that they have access to a more complete

national service, and therefore more choice. But in practice as disaffiliations take place the audiences for the most prominent network programs usually drop. The appeal of local services (or sometimes of syndicated programs) is strong enough that at least part of the former audience is drawn away from the programs they formerly followed.

In these circumstances, no formula can be devised that will provide the correct mix of national, regional, and local service on all parts of the CBC. It seems the division must be made on pragmatic grounds, and that the appropriate mix will be different on monaural and FM stereo radio, different again on television, and different as between the French and English-language services.

When there are two networks in radio, one (the "informational" service) can provide almost all the local/regional programs required, and the other (the "performance" network), less complete in its coverage, can provide a service which is, for practical purposes, uniform across the country. That in fact is what the CBC's FM Stereo network does. This specialization offers the listening public choice and variety -- each radio service has a distinctive "sound."

But there may be some penalty. With either of these formats it is difficult to attract listeners in the numbers that will tune to a well-operated "middle-of-the-road" station or a modish rock-and-roll station playing the latest hits. The CBC's FM-Stereo service has been slow to attract its hoped-for share of the FM audience, partly because of its attention to classical music, and partly because it lacks the local component in its programming.

One should recognize that although the English-language FM-Stereo program service is the same on all stations (except for one regional hour each week), it cannot be regarded as a "centralized" network in terms of production. In a typical week (according to CBC calculations), 71% of its program material comes from centres other than Toronto. To take another and simpler measure, in a typical week, between 7:00 a.m. and 9:00 p.m., 57% of the programs originate to the network from a regional production point, and 43% from Toronto. And some of the Toronto originations contain more regional or international items than those that pertain to Toronto. (This is true of programs such as Arts National, The Entertainers, The World at Six, and Saturday Afternoon at the Opera, for example.)

As for the English CBC monaural service, on each station about seven hours a day are local, scheduled in periods when the listening audience is highest. For a CBC station on the air between 6:00 a.m. and 1:00 a.m. those local periods represent about one-third of the total, the network contributing two-thirds of the schedule. But those network hours can again be broken down according to where the production takes place. On a typical AM station the percentage of hours produced outside Toronto (but including the local periods) is 61 per cent.

On French AM stations, in a schedule of 130 hours per week, about 35 hours are local or regional -- 27% of the total -- but these hours include periods of peak listening.* Network originations are more concentrated in Montreal than is true of Toronto and the English networks. This is not surprising in view of the share of audience that the Montreal area represents, the concentration of cultural resources in Montreal and Quebec City, the scattered nature of the francophone population in most provinces, and the few production personnel the French radio service of the CBC can afford to locate in most regional centres. That is not to say that means should not be found to

*"La Radio Publique: Les réseaux français de Radio-Canada," SRC/CBC, avril 1984, pp. 157-9

give more regional representation on the two radio networks, and the French radio service seems cognizant of this objective as well as the practical difficulties in realizing it. ("La Radio Publique," pp. 166-183)

Because of television's high costs, regional and local programming cannot occupy the number of hours that it does on AM radio. On CBC Radio (English), regional programs are scheduled in the peak listening periods -- before 9 a.m., at the noon hour, and between 4 and 6 p.m. on weekdays. On CBC television, the peak evening hours are given over to the national network, and not only because of commercial considerations. It costs too much to provide a half-dozen regionally-oriented programs where one program, with a higher budget, may be just as successful (or more so) in finding an audience.

Television - particularly English network television - is the sticking point. In whatever province one travels, one can hear resentment expressed that the CBC's programs are dominated by Toronto, do not provide a sufficient regional voice, do not provide opportunities for local talent. Canada's cultural activities have shown a remarkable expansion in the past thirty years, and it is in particular the artists, writers, producers and performers in cities across the country who criticize most strongly the concentration of production in Toronto and (to some extent) in Vancouver.

To meet the demand for regional production in television, the CBC built and equipped studios in many centres. In addition to Toronto, Montreal, Quebec City, and Vancouver, there are more modest facilities in cities such as St. John's, Halifax, Ottawa, Windsor, Winnipeg, Regina, Calgary, and Edmonton. There is sufficient production capacity (on the English side) to provide an hour news program each weekday in Sydney, Charlottetown, Saskatoon, and Fredericton (for showing on the private station in Saint John). Small amounts of production are arranged in Corner Brook, Goose Bay, Yellowknife, Matane and Rimouski; and a larger amount in Moncton.

Indeed, the CBC seems (until 1984) to have gone too far in responding to pressures for more local programming, given its financial resources. In 1983-84, the budget for English TV network programming was $179 million (about 62% of the total English-language TV budget). The regional services (English) were budgeted at $110 million, of which $92 million were for program costs. With this amount of money available, ten thousand hours of local and regional programs were produced -- an average of $9000 an hour -- a figure that is too low for effective programming.*

*These figures are drawn from an internal CBC study, "Focus for Quality: Report of the Task Force on Regional Programming," June 1984.

After reviewing the situation, the CBC management decided to reduce the number of local/regional productions by over ten per cent and, from the money saved, to produce three new series for the CBC "limited" network at 7 o'clock (on CBC's owned and operated stations). Thus in 1985-86 we have "Gzowski & Company," (a 26-week series of profiles); "The Way We Are" (a thirteen-week anthology series of half-hour drama); and "Country West," thirteen weeks of variety originating from Regina. This seems a sensible use of resources. Various production points will still be involved, but higher program standards can be applied as the budget figure per half-hour is increased.

Some will argue, however, that the CBC should go further than it has ever done in decentralizing production, resisting the tendency (observable in all western countries) for talent and producing craftsmen to assemble in a very few production centres. In a personal submission ("Fresh Aird: the Regional Emphasis in a Renewed CBC") the Vice-President of Regional Broadcasting argues for a more decentralized CBC, using four or five major production centres which would become the central points of "mini-networks," thus increasing the amount of local/regional programming seen on television. He admits that such an arrangement is more costly than the present one.

Despite those arguments emphasizing the regional nature of Canada, it seems unlikely that this country will support such a decentralized television service in the public sector -- given the need for programming in two languages, and the costs of providing service to a scattered population, including the Canadian North.

There are others who take the opposite tack. They decry the amounts spent on local TV programming: particularly on the supper-hour news and information programs from 6 to 7 p.m. They argue that $100,000,000 is a lot to pay for "local" programs when most centres have a private station already providing such a service.*

There are a number of difficulties with this argument. First, the supper-hour programs on the English-language stations do not cost $100 million, as assumed. The supper-hour programs and the late-night news programs on all stations, English and French, cost about $90,000,000 -- and these costs cover more than the purely programming costs. They include direct (above-the-line) costs, indirect costs, and some support services. In 1984, the CBC task force estimated that the supper-hour programs

*See, for example, Robert Fulford, "Neglected Treasure," Saturday Night, Nov. 1985. Fulford suggests that budgets for local programs should be reallocated to network productions such as "The Fifth Estate."

(English) cost $50 million dollars. (And, under current CBC policy, its 6 o'clock programs bring in a good deal of advertising revenue, which considerably reduces the net costs of the local originations.)

Fifty or sixty million dollars is a substantial figure. But we must remember that the same crew does the 6 o'clock program and the 11 o'clock news; provides feeds for network programs such as "Mid-day," and also handles regional or provincial specials such as election night programs.

The pattern everywhere in North America is for local stations to provide a news program or supplement around the supper-hour. Commercial broadcasters think this an essential service toward building and retaining an audience for their stations. This writer cannot imagine that CBC stations can dispense with such local services without great risk to their overall audienne numbers.

Even if one argues that the larger centres are already furnished local news services on other stations, there is no reason that the CBC cannot provide distinctive programming in these local periods -- by emphasizing facets of community and regional life that traditional newsrooms usually neglect.

And in smaller communities -- such as Sydney, Charlottetown, Saint John/Fredericton, St. John's/Cornerbrook, even Saskatoon/Regina -- the CBC provides the only service or one of two community services. This kind of Canadian programming is as essential as any other.

In the past, political pressures have always been strongest in the direction of extending geographic coverage or providing stations and production facilities in all regions and provinces. There has been less concern for the operational budget that enables these facilities to be used creatively in the service of viewers and listeners. At this stage in the country's development, it would seem wise not to extend production facilities more widely, to resist pressures to that end, and to modernize and upgrade such facilities as are in place. With modern means (such as satellites) for gathering program materials and transmitting them to a few network or relay centres, a more adequate reflection of regional activities and interests may yet be possible.

In television, news and some kinds of informational programs will continue to be produced in each province. But the technology and facilities are likely to determine where other kinds of production are carried out. Often it is more

feasible to take the necessary personnel to the facilities rather than install expensive equipment where it will seldom be used. One must keep in mind the three stages of production for documentaries and drama (for example). Planning and script preparation can take place anywhere. The studio and remote facilities for the second stage, meeting up-to-date standards, are likely to be located in only a few places. Post-production facilities are the most specialized, and if expensive enough they are likely to be shared (perhaps on a rental basis) by public agencies and independent producers alike.

At this juncture, it would seem unwise to promise more regional programming <u>at the expense of</u> the present complement of national programming (so pitifully inadequate compared with all that we have available from outside Canada). There is no simple or inexpensive measure, no "quick fix" that will allow the CBC to do <u>more</u> in regional interpretation and interchange under present conditions and with present resources. It can do it <u>better</u>, no doubt, and that is the aim of internal studies the CBC management and staff have undertaken.* They should be encouraged to get on with their task.

*"The English Radio Development Project," n.d. [Dec. 1983]
"Radio Strategy: Report for the Board of Directors," 28 May 1984
"Focus for Quality: Report of the Task Force on Regional [TV] Programming," June 1984
"Management Response to the recommendations in <u>Focus for Quality</u>," 16 October 1984

3. Programs to serve "the specialized needs of geographic regions"

In addition to the regional needs of the more populated areas of Canada, the CBC must be concerned with broadcast services provided to the North, and representation of Canada abroad -- Radio Canada International.

Over the years the CBC has developed a complex (and costly) distribution system in mid-Canada and the North to bring network and regional programs to the diverse northern peoples -- first radio, and then television. The costs of these services are included in the budgets for Regional Broadcasting.

There are five production centres for northern radio. A number of television programs especially for the North are produced in Yellowknife and Montreal. Radio programs in the North and in Northern Quebec are in seven native languages, as well as in English.

The native-language radio programming totals some 7,400 hours a year; on television, about 60 hours, plus some 300 hours of "access" programming carried on behalf of two native societies. (CBC Annual Report, 1984-85)

The CBC can do a reasonably satisfactory job in providing radio services in the North -- a mixture of national and regional programs. In television, the job is much harder.

As a document prepared for the Minister of Communications points out, the CBC's distribution system is a "one-way" system -- "mostly radiating from network production centres located in the south of the provinces.... By its nature the system does not allow for different programming to be fed to each community."*

It is a very specialized problem, of great <u>social</u> importance. If the northern peoples are to be afforded the desired amounts of access to production and distribution facilities, expensive modifications to the distribution system will be required. The CBC's paper sets out three options for the government's consideration.

The costs of Northern broadcasting, and the provision of facilities for the Northern Native Broadcast Access Program, are so greatly different from the costs in more settled areas that special arrangements between the Government and the CBC

*"CBC and Northern Native Access: a Northern Policy and Plan," September 1984

are justified. The government must be concerned with the extent of coverage, and take responsibility not only for policy decisions relating to coverage, but also the financial support that will support facilities and operations. The CBC should have its usual independence in planning and delivering programs -- except for those designed for native groups under the "access" program.

There are several ways in which this separation of function and responsibility could be arranged. A study by J. Mark Stiles observes:

> Something as ill-defined as "fair access" does not lend itself to legislation. Because there are so many variables from one region of the country to the next, it would not be possible to have a blanket formula or set of criteria to constitute a legal definition of "fair access."*

This observation may also apply in considering the CBC's program responsibilities in serving the various native groups whether in the North, mid-Canada, or in the southern or more settled parts of the provinces. It is impossible to find a prescription that when applied by the CBC would provide the right degree of equity to each language group or each community in which native peoples dwell. Impossible also to apply the same rules to radio

*"Broadcasting and Canada's Aboriginal Peoples," a report to the Task Force on Broadcasting Policy, November 1985, p. 53

and television. As the Stiles report tells us, "the majority of Canada's aboriginal people live in the South," and it is here that "native languages are least likely to survive" (p. 3). Despite growing political awareness and pride in their cultural heritage, Indian communities in the South have shown relatively weak interest in community radio, and no demand as yet for native-language programming on television. If it should come, it is not clear how broadcasting (as opposed to narrow-casting) organizations such as the CBC can most fittingly respond.

Yet Canada -- and public broadcasting as a vehicle of national purpose -- does owe a special responsibility to descendants of its aboriginal peoples, however scattered the various settlements may be. Their social and cultural dislocation that has attended the country's development, their economic disadvantages in an industrial society, the need to encourage a sense of identity and self-worth, make it imperative that modern means of communication share in the task of helping them find their way. (The same can be said in different ways about all of us.)

The fact that native groups total only 2 per cent of the population does not negate this responsibility.

They are still an element of prime importance in our national life -- as are farmers, whose numbers have declined precipitously during the last two generations. Both should have time and attention in CBC programming. Our agricultural population has been much better served, at least in the South, than the ethnically diverse minorities, including the native population.

The question is whether modifications to the Broadcasting Act should be made to provide more guarantees of service to the native peoples. There are dangers in adding provisions that will make the means of delivering service inflexible and harder to adapt to changing conditions. Inclusion of Canada's indigenous languages in the section providing for (parallel) services in English and French is of doubtful utility. (In many regions the most appropriate language for reaching the people concerned is probably English.)

One possibility might be to amend Section 3(g) of the Broadcasting Act to read:

The national broadcasting service should ....

(iii) be in English and French, or other languages as appropriate, serving the special needs of geographic regions (including the North and communities of native peoples), and actively contributing to the flow and exchange of cultural and regional information and entertainment.

(The phrases underlined are words not in the present Act.)

With the legislative mandate amended as above, it would be the responsibility of the CBC's program officers to decide concrete forms in which the needs and interests of native communities might be met, and the responsibility of the CBC Board of Directors to account for the CBC's overall performance as trustees of the national service.

If the CBC has the necessary facilities (such as additional channels) the wording suggested above might also allow airtime for important language groups outside the native population, in accordance with Canada's multicultural policy. Again, wide discretion would have to be left to the CBC Board of Directors, to prevent a decimation of the national service in response to the demands of pressure groups.

Besides the CBC's Northern Service, there are two specialized programming services that do not fit very well under the present wording of the CBC's mandate: the international service (Radio Canada International) and the CBC's Parliamentary Network, transmitting television coverage of the House of Commons proceedings to cable networks in English and French.

Under Section 39(2) of the Broadcasting Act, the CBC may (subject to the licensing provisions of the CRTC) act as an agent of the Crown "in respect of any broadcasting operations that it may be directed by the Governor in Council to carry out, including the provision of an international service."

The CBC accepts advice from the Department of External Affairs as to the priorities of coverage areas and languages in its international service, but takes responsibility for the programs offered in RCI, as it does in its domestic services. Experience in Canada and Great Britain indicates that external programming is likely to be most useful and effective if it is not seen as "official," representing governmental views and policy positions exclusively. In pursuance of the understanding that the CBC uses similar programming standards on its external and domestic services, the CBC for many years has absorbed the costs of the

International Service in its regular budget,* though the total is shown as a separate item in the CBC's Statement of Income and Expense (see Annual Report, 1984-85, p. 45).

RCI programs are distributed both through recordings and shortwave transmission. The organizational ties with the domestic services of the CBC allow not only a sharing of studio and other facilities, but some interchange of programs. For example, on some of its services RCI carries programs such as "As It Happens," and shares in the coverage of special events such as federal election results, royal and papal visits, and international sporting events such as the Olympics.

After forty years of acting as an international voice, it may be time that the CBC's role is recognized in the official mandate.

The CBC does not assume responsibility for the camera's coverage of House of Commons proceedings, but acts merely as a distributor to exhibitors (cable systems and other broadcasters). Since Parliament's wishes in this matter are subject to change, it may be advisable at this juncture to omit the distribution of the House of Commons service from the CBC's programming and coverage mandate.

*From 1943 to 1968 the International Service was a semi-autonomous body operated with funds separately voted by Parliament. The Fowler Committee (1965) recommended its integration with the rest of the CBC, and in 1968 the separate vote disappeared.

4. "A national broadcasting service that is predominantly Canadian in content and character."

This is defined, in Section 3(f), as the central purpose of the public corporation.

All licensed broadcasters are expected to behave in such a way as to "safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada," and to use "predominantly Canadian creative and other resources." But those expectations are vaguer than the mandate of the CBC to provide service "predominantly Canadian in content and character," that will also "contribute to the development of national unity and provide for a continuing expression of Canadian identity."

Indeed, many of the private broadcasters (especially in television) have in practice shirked their responsibility to "strengthen" the Canadian fabric through Canadian programming and production, perhaps meeting the CRTC's quantitative standards, but producing and scheduling their Canadian offerings in such a way that they cannot really compete with American imports or the spillover from American networks and stations.

For some years, in the competition to attract audiences, revenues, and affiliate loyalty, the CBC also scheduled mainly U.S. programs in the choicest of prime time, at least on its English television network. Fortunately, that practice has in the main ceased. A notable signal of the CBC's determination to fulfil its mandate was the "Touchstone" statement promulgated in 1977 by the then President of the CBC, A.W. Johnson.* In that document, the Directors of the CBC outlined seven objectives or targets they were determined to achieve, most of them within five years. Among these were the "Canadianization" of the English TV schedule, by reducing each year at least a half-hour per week of U.S. programming in prime time. Another objective was to increase the viewing of Canadian programs through second English and French TV channels -- leading to the unsuccessful application for "TV-2" in 1980-81.

The drive to recapture prime time for Canadian programs on English TV has had considerable success. The percentages of Canadian content are now about the same on the CBC French and English TV networks (65% or 68% over the whole schedule, 75% in prime time -- 7:00 to 11:00 p.m.). The objective for a more distinctive and strongly Canadian tone in the television schedule as a whole, and especially in

*"Touchstone for the CBC," june 1977

prime time, was renewed in 1983. The target went up to a level of 86% Canadian content by 1988, in the case of the English TV network.*

Despite budget reductions, the CBC has made gains in its Canadian programming since 1983, but the increases are slower than originally planned.

The radio programming of the CBC (except for recorded music and concert or opera performances from abroad) is overwhelmingly Canadian. In fact, some listeners may feel that in radio the CBC has become too "distinctively Canadian," to the exclusion of international offerings of relevance and high standard. But this is a minor cavil.

The difficult question is the nature of the CBC's television service. There is a danger that if the CBC or other broadcasters ignore the popular taste for U.S. mass entertainment, Canadian viewers may switch off or turn to more popular programs that have little to do with the Canadian "fabric," or a sense of themselves as members of Canadian society. Then the whole purpose expressed by Parliament in shaping the broadcasting system would be defeated.

*"The Strategy of the CBC: Broadcasting Policy Plans of the Board of Directors of the CBC," 1983, p. 12

Another way of approaching the dilemma is to say: let the market forces prevail, in the case of the private broadcasters and distributors; but leave to the CBC (and other public broadcaters such as the provincial agencies) the responsibility of fulfilling the expectations outlined in the present Act. A euphamistic way of stating this is to say that the private stations should give the public "what it wants" -- cater to the appetite we all have for light entertainment, whatever the program source; and the CBC should be quite distinctive, or distinctive and Canadian. This is the option that some describe as making the CBC into a "PBS North."

The history of broadcasting in most western countries suggests that such a formula -- such marked differentiation between the public and private sectors -- would defeat the intended purpose of national broadcasting, so long as television remains a prime medium of communication and entertainment -- one of the mass media.

In the United States, public broadcasting has succeeded in capturing only a tiny share (one or two per cent) of the viewing audience, despite that country's massive resources in talent, production skills, and financial capacity. Many PBS programs are "of high standard," but large segments of the

public resist a service that does not have the reputation of providing "entertainment" -- a service that is regarded as too high-minded.

In Great Britain, despite the leadership of an educated class and the moral fervour of a Lord Reith, the BBC early discovered that the best way to provide a service was through a variety of programs that would "inform, educate, and entertain." The BBC for many years spent as much time and effort on sports, variety programs, and comedy as they did on news, current affairs, and serious music. After ITV arrived, the BBC maintained and even increased its emphasis on sports and light entertainment, finding that unless they did so their audeicnes would dwindle. Even the BBC's TV-2, which is scheduled to provide more choice, finds that it will be largely ignored unless it has a quotient of such programming as billiard matches and games of darts. These program choices have been made deliberately despite the fact (at least up to the present) that the BBC is in no way dependent on commercial revenue. And despite the fact, also, that the BBC with an entrenched position in British life, and a staff of 25,000, is capable of producing programs of great polish and sophistication.

The CBC, whether commercial or not, is in a much more competitive and exposed position than the BBC. Its English-language services have to vie for attention not only with the private broadcasters (whose revenues and number of outlets now greatly exceed those of the CBC), but with the whole output of the American broadcasting industry. To restrict itself to filling in the gaps left by these broadcasters -- to become as specialized as PBS in the United States -- would be a recipe for real disaster.

In an expensive medium such as television, the CBC's base of public (and political) support would soon dwindle if its audiences dwindled to, let us say, five per cent. What fairness would there be if most people hardly ever watched the CBC, though supported with their taxes? If the CBC's television service became a sequence of specialized programs, most members of the audience would give up even trying to find the programs that might be of particular interest to them.

There is therefore a great (if hidden) danger in the argument that the CBC, as the public broadcaster, should do only those things that private broadcasters find it impossible or unprofitable to do. A danger also if private broadcasters should be relieved of the burden of a fair quotient of Canadian production. We would end up with no one very well

served, except perhaps in news, sports, and some of the simpler kinds of entertainment programming.

Another consideration is the rather different positions of English and French-speaking Canadians. Our objective is a full service and sufficient choice for both audiences. A population of seven million francophones cannot support adequate services without a large infusion of public funds, unless those viewers are prepared to accept dubbed versions of imported programs as the mainstay of their television networks. The pride and sense of community among French-speaking Canadians is sufficient that they will not allow a reduction in the programs speaking to their interests and concerns. They will surely insist on a full spectrum of domestic programming on their television screens. And if that is what French-speaking Canadians expect, should their compatriots have any less?

The interest groups that advocate CBC's withdrawal from entertainment programming, coupled with the abandonment of commercial revenue, are not being realistic in assessing our bilingual Canadian position.

What of the audience for CBC television at present? For some years, as additional Canadian stations were licensed, and as U.S. networks were brought to more Canadian homes

through cable, CBC audiences declined. But for the past five years, the CBC's share of audience has been stable.

In French-language television, the CBC French network and the TVA network enjoy even shares of the available audience (47% each). In prime time, the CBC French network accounts for 54 per cent of all the viewing time devoted to Canadian programs.*

In English-language television, the CBC network reaches over 80 per cent of anglophone Canadians in an average week, but its audience share remains about 23%, as compared with 29% for the CTV network.** Taking English-language television as a whole, only 28 per cent of all programming available is of Canadian origin (26 per cent in prime time -- 7:00 to 11:00 p.m.). In prime time, 55 per cent of all the Canadian programs available to viewers are offered by the CBC; those programs are successful in attracting an even greater share of the viewing time accorded Canadian originations. CTV's Canadian programs are seen by a quarter of the audience for prime-time Canadian shows; the CBC English television network accounts for 64% of that particular audience.***

*"CBC Radio and Television and Their Publics," 9 October 1985, pp. 7, 11

*Ibid., p. 7

*Ibid., pp. 9-11

The failure of our broadcasting system (as judged by the objectives endorsed by Parliament) lies in the proportion of offerings (U.S. and Canadian) to the English-speaking public by all stations and channels, rather than in the output of the CBC, or in the supposed unattractiveness of Canadian programming. By our public policy, we have apparently chosen to use the increase in advertising revenues (the "growth of markets") as a reason for increasing outlets -- by licensing additional stations or networks -- rather than effecting an improvement or diversification of Canadian production and programming. Every time a particular market has looked fruitful, the CRTC has tended to license another outlet.

But this effect of our regulatory policies is not generally understood, and many (with an exaggerated idea of what is spent on the English-language television network) fasten on the alleged shortcomings of CBC television as the culprit.

As we have noted, the CBC English television service is weak in certain program categories -- especially variety and drama. The time segments for children and youth need strengthening -- what business do reruns of "Three's Company" have in occupying the 5:30 period every weekday afternoon? We may note, however, that CBC programs for young children

have been very successful on both CBC networks, English and French, according to Neilson surveys.

The weakness extends to another program category, not for the same reason. As pointed out, arts, history, and other humanities do not get the time they deserve in a single-channel service that is devoted to general interest and often commercially saleable programming. There are, after all, a limited number of hours in prime time. Some of the arts and science programs have steadily drawn very substantial audiences even though many are scheduled on the limited network and therefore have no affiliate distribution. Canadian audiences would have a much better choice if two channels in each language carried CBC programs, rather than one.

5. Programs that "contribute to the development of national unity and provide for a continuing expression of Canadian identity."

The objective that the CBC should contribute to national unity is one of long standing, but in practice is most difficult to measure or assess. At times the responsibility to "provide for a continuing expression of Canadian identity" and to honour "the right to freedom of expression" (Section 3c) may come in conflict with the "national unity" objective.

R.B. Bennett, when introducing the first broadcasting legislation into the House of Commons in 1932 spoke of broadcasting "from Canadian sources" and under "complete Canadian control" as:

> a great agency for communication of matters of national concern and for diffusion of national thought and ideals.... Without such control it can never be the agency by which national consciousness may be fostered and sustained and national unity still further strengthened.
>
> (House of Commons Debates, 18 May 1932, p. 3035)

The CBC took over part of this language in describing the Corporation's purposes. The Fowler Report in 1965 quoted the CBC's statement with approval: "It should serve Canadian needs and bring Canadians in widely separated parts of the country closer together, contributing to the development and preservation of a sense of national unity."

During the 1970s, the CBC had occasion to reflect on the interpretation given to the "national unity" phrase in its mandate. In a statement to the Task Force on Canadian Unity (the Pépin-Robarts committee), the CBC Directors said:

> The Broadcasting Act...speaks of the responsibility of Canadian broadcasters to "provide reasonable, balanced opportunity for the expression of differing views on matters of public concern...."
>
> The exercise of this responsibility calls both for identifying and exploring the issues confronting Canadians fairly and thoroughly...reflecting differing views about these issues, fully and fairly, and in a balanced manner, taking into account the weight of opinion which holds those views. This is the way, it seems to us, that the CBC fulfills in its current affairs programming its mandate "to contribute to the development of national unity." ...

> For Canadians must be clear as to the consequences of the different courses of action which are being advocated....
>
> For Canada's public broadcasting system even to air...arguments against nationhood is distatesful to some Canadians. But if we are to exemplify and to respect the freedom of speech and discussion upon which Canada is founded, we must accord "freedom for the thought you hate," as an internationally renowned jurist once put it.... The very creditibility of the CBC as a service to the people of Canada depends upon taking this posture. Put another way, it is not for the CBC to suppress any particular point of view: only the community of Canada, through its Parliament, has the power to do so, to declare subversive, and thus to suppress, any particular view.*

There have been at least two important occasions when the CBC interpreted its responsibility differently from the government in power in respect to the "free speech" and "national unity" objectives. In 1942, the CBC General Manager seems to have favoured the provision of time to spokesmen for the "No" vote in the plebiscite campaign on releasing the government from its pledge of no conscription. The government denied such access under its wartime powers. This decision caused much bitterness in Quebec and may in the end have hindered national unity.**

*"Submission of the Canadian Broadcasting Corporation to the Task Force on Canadian Unity," 27 February 1978, pp. 12-14

**F.W. Peers, The Politics of Canadian Broadcasting, pp. 328-31

Similarly, it is known that during the Quebec plebiscite of 1980, certain ministers in the Trudeau government were highly critical of the CBC's stance in reflecting currents of opinion in that province -- particularly the anti-federalist sentiments which they believed were entertained by certain of the production staff. The CBC's defence of the journalistic judgments and practices of its staff is often said to explain the government's reluctance to back the CBC application for a second television channel.

The concept of "national unity" is subject to many interpretations, and it is all too easy for a governing party to identify its interests and beliefs with that objective. And there is a difference between asking the CBC to <u>contribute to the development</u> of national unity, and the phrase (which is not used) "<u>to promote</u>" national unity.

On the whole, it might have been as effective in 1968 to have simplified the mandated objective to read: a programming service that "provides for a continuing expression of Canadian identity." It would then be the unspoken hope that such programs would contribute to better understanding throughout Canada, and perhaps (indirectly) to "national unity."

Whether it is now politically wise to remove "national unity" from the terms of the CBC's mandate is another question. Such deletion, after so many years, would almost certainly stir up a good deal of emotional debate, and may not be worth the intended clarification. However, if the double-barreled purpose is left as at present, there may be accasions in the future, as in the past, when the CBC is charged with failing the "national unity" test.

In summing up, I would not change very much an assessment of the CBC's achievement written in 1966. My words then were that the CBC:

> has given its public -- many of whom are immigrants, many of whom have been making the difficult transition from farm to city -- a sense of national awareness without glossing over the schisms in Canadian life and without imposing a narrow doctrinaire nationalism. It has provided coverage to sections of the country that would otherwise have been neglected. It has helped in the development of Canadian talent; it has stimulated a wide range of cultural activities, and created new audiences for them. It has provided a forum for the expression of Canadian opinion, drawing on a much larger segment of the population than have the American networks, which ordinarily rely on their own professionals.
>
> It has given regions of Canada a chance to know about each other, if not necessarily to like one another better. It has probably heightened a sense of English-Canadian identity; it has without doubt reinforced the sense of French-Canadian identity. It has not been noticeably successful

> in increasing understanding between French- and English-speaking Canadians, though it is too early to say that it has entirely failed. French and English separatist sentiments have too many causes for any communications system to remedy.*

Given the levels of CBC funding, the number of jobs it is expected to do, and the uncertainty of its revenues from one year to another, it would seem that CBC radio and television have performed creditably in the standards and variety of its Canadian productions, and in the overall reflection of the country and its people. In television, progress is still being made, year by year.

There is some possibility, however, in the categories of programs which Telefilm Canada helps finance, that Canadian orientations and values may be sacrificed to the producers' interest in foreign sales. As it is, the CBC can more economically replace programs applying its own standards with "independent" Canadian productions paid for by a mixture of public and private funding. The CBC of course has to signal in advance its acceptance of the program format and rationale by a letter agreeing to purchase broadcast rights; and this provides some assurance that Corporation objectives and standards will be observed. But there can be many a slip

*"The nationalist dilemma in Canadian broadcasting," in Peter Russell, ed., Nationalism in Canada (Toronto, 1966), p. 263

between promise and realization, and the CBC's minority position in helping to finance the production may not give it effective control. This is a development that requires careful monitoring or possibly some change in the rules governing CBC participation in co-sponsored productions.

6. "Make or Buy": the purchase of programs from independent producers

Under the Broadcasting Act, the CBC is clearly empowered to produce the programs shown on its networks, or to purchase rights from others for presentation of programs not produced by the CBC.

While the CBC's television services were being established, the CBC gathered and trained its own production teams -- most of the members of which were on staff, with some on contract. As time went on, many of the producers became contract employees, and some others left the CBC to establish or join independent production companies. Some experienced technical personnel also left staff positions to become free agents or to join independent production companies, in film or television.

The life of the independent producer is notoriously hazardous, and soon efforts were made to reduce the risks -- by asking government to help finance productions, by entering into co-production arrangements which would further international sales, and by seeking more access to the product shown by the largest exhibitor of Canadian production -- the CBC.

The CBC's involvement with independent producers doubled between 1974 and 1976,* and in 1977 its Touchstone statement called for increased opportunities for independent producers, and said the CBC was ready to pay "a premium price for Canadian-produced programming about Canadian subjects" (page 71).

Continued representations from the independent producers impressed the members of the Federal Cultural Policy Review Committee (Applebaum-Hébert), who concluded that "CBC television is not sufficiently open to Canadian creative talent," that it relies too much on "in-house talent," that it did not really feel "the pressures of competition to operate more efficiently." (Report, November 1982, pp. 276-7).

The review committee apparently ignored or was not impressed by the study previously conducted (in 1978) by

*"CBC and Independent Production," September 1985, p. 1

management consultants McKinsey and Company, who reported:

> Judging by hours produced in relation to expenditures and numbers of employees, the CBC is an efficient and productive organization compared to other broadcasters....
>
> The Corporation carries out its mandate with fewer resources than could the aggregate Canadian private sector as it is now constituted. Where the CBC incurs higher costs in individual program areas, it is generally due to the Corporation's interpretation of its mandate responsibilities, rather than to inefficiency.

McKinsey and Company thought it useful to compare the CBC's performance with that of public broadcasters in other countries, using "the classic notion of efficiency -- that is, the volume of programming hours aired or produced per unit of resource input, whether employees or dollars." The company used data provided by their offices in London, Melbourne, Paris and Tokyo. Their conclusions:

1. In operating in two official languages and covering widely dispersed geography, the CBC faces a significantly more difficult and costly broadcasting challenge than other public broadcasters.
2. Notwithstanding this challenge, the Corporation is <u>substantially</u> more efficient than the other public broadcasters, as measured by hours of programming output per employee and per dollar expenditure.*

*McKinsey & Company, Inc., Memorandum to A.W. Johnson, CBC President, June 30, 1979, pp. 2-5. From "Executive Summaries and Progress Report on Certain Efficiency Studies," presented to the House of Commons Committee on Communications and Culture, 30 January 1981.

Their analysis showed at that time (1978), using hours of programming per year for each employee, that the CBC was twice as productive as the next most productive public broadcasters, in Australia and Sweden, and over three times that of the BBC.

Of course such measures do not reveal the quality of program production. There is no statistical way of doing that.

The McKinsey study said it was more difficult to compare the programming costs of the CBC and the private sector, since their structure and aims are so different. "Thus, paramount CBC goals -- such as maximizing Canadian content, providing extensive information programming, and reflecting the character of Canada's regions -- are largely constraints to the private sector." (Memorandum, p. 6).

From their analyses of publicly available information on the CBC and private broadcasting, supplemented by interviews, the McKinsey group concluded:

1. The CBC assumes the most difficult and costly aspects of broadcasting in Canada.
2. Because of profit margins -- coupled with high administrative and selling costs -- replacing the CBC with the private sector with its current economic structure would cost Canadians substantially more on an annual basis.

3. The CBC does incur higher costs on some individual shows in some broadly similar program areas. However, these expenses are generally due to the Corporation's interpretation of its mandate responsibilities, rather than to inefficient use of resources.

(Memorandum, p. 7)*

Despite their concerns about the CBC's lack of efficiency, the Applebaum-Hébert committee did not propose dispensing with the CBC. In fact, in some ways they wanted it strengthened, and more generously financed. They said they regarded the CBC as "the heart of broadcasting in Canada." But they thought the CBC would do a better job in television if it concentrated its energies on "programming" (commissioning programs and arranging program schedules), and abandoned production, except for news programs.

The Directors of the CBC, while saying they agreed with the spirit of the Applebaum-Hébert committee's report, rejected its most concrete recommendations, including the one that would have the CBC relinquish all television production except news. (The Strategy of the CBC, submitted April 1983, pp. 41-2.) However, the CBC (with the endorsement of the Minister of Communications)** established a target

*The McKinsey study went on to suggest modifications in television production planning and control which it was projected might save $15 million or more over the long term.

** Francis Fox, Minister of Communications, "Building for the Future: towards a distinctive CBC," October 1983, p. 15

"to be attained when television services become fully Canadianized" that 50% of all network programs, other than news, information and sports, be supplied by the private sector (Strategy of the CBC, pp. 41, 81). The CBC said their plans would require a 1½% increase per year, over and above inflation, for five years (p. 77). The government policy statement spoke only of more cost-effective distribution, more efficiency, and a Canadian Broadcast Development Fund that would, over the next five years, make up to $115 million available to independent producers for programs to be aired on the CBC. ("Building for the Future," p. 20.)

The CBC has not received assurances of a steady budget, much less a steadily increasing budget, but it has made considerable use of the Program Development Fund of Telefilm Canada. In the first year of that program, it was the prime generator of independent production financed by the Telefilm fund. "Of all Canadian broadcaster involvements in Fund projects [by March 1984], CBC/SRC's commitment represented 85% of the total. Of all budgets for Broadcast Fund projects, budgets for projects with CBC/SRC represented 64.1% of the total."*

*"CBC and Independent Production," September 1985, p. 8

The French television network has increased its use of independent productions from 1½ hours a week (in prime time during the winter season) in 1983-4 to 4 hours a week in 1985-6. In 1984-85, the French network scheduled a total of 340 hours of programs produced by independent producers (counting daytime and summer programs).*

The English network has not given comparable figures. except to say that in 1984-85 the CBC (English) invested $15 million in Telefilm projects representing more than $60 million worth of production.** Total CBC investments for the French and English networks "topped $40 million." CBC projects represented about 65% of all those approved by Telefilm, and 88% of all broadcaster contributions to Telefilm projects (in 1984-85).***

The associations representing the larger independent producers are not satisfied with what they no doubt regard as half-measures:

> CBC as an electronic publisher should follow the example of the United States where...networks are not allowed to produce programs....

*Présentation de la Télévision Française, SRC, 30 octobre 1985, pp. 13-14

**CBC Overview of the English Television Service, 23 October 1985, p. 25

***"CBC and Independent Production," p. 10

> The Applebaum-Hébert Report Recommendations for the CBC should be implemented.
>
> We believe that Canada and the government would be best served if CBC/SRC were to be restricted to producing in-house only news and current affairs/ information programming.

Their brief calls not only for replacement of "bureaucaratic" and "insufficiently cost effective" in-house production, but an increased Capital Cost Allowance for Canadian films (up to 150%), relaxation of the terms imposed by the Telefilm fund, and CRTC regulations to require that all programming for pay-TV come from independent producers.*

The capacity of the independent producers to provide all CBC programming other than News and Current Affairs is clearly insufficient not only at the present time, but probably would still be insufficient five years from now -- unless the greater proportion of CBC budgets (programming, distribution, and capital) were to be shifted to them by one means or another. (And which "independent" would get which share of those funds, in that eventuality?)

Comparative measures of "efficiency" are almost impossible to arrive at. The costs per program-hour may be about the same. What is more important is that the CBC, with

*A brief to the Minister of Communications by The Association of Canadian Film and Television Producers and L'Association des Producteurs de Films du Québec, undated [December 1984]

a known mandate, a continuing pool of technical and production talent and resources, a budget that is not totally dependent on the vagaries of the market, is able to guarantee some continuity of planning and talent development, some assurance of reasonable performance, and some attention to traditional programming objectives.

All these become much more uncertain when a dozen or more competing production companies vie for program contracts, with one eye on the larger markets they hope to penetrate outside Canada's borders.

So long as the CBC retains some production capacity (staff, facilities, and above all production experience) in the main fields of television entertainment -- such as drama and variety -- there will be some yardstick by which to measure the proposals and planned costs of independent producers. Even more crucial is the understanding and expert knowledge that CBC officers must have in commissioning outside productions or entering into contractual agreements, so that suitable program objectives are met, and costs controlled and accounted for. Such expert knowledge usually is acquired in program departments where production is being undertaken on a continuing basis.

Children's programs, for example, might often be procured from independent producers. But most small companies (being undercapitalized) will be unable to employ for long periods specialists (not only in production skills) but in child development, who can advise them on the social implications of the characterizations or the story lines. The CBC can do this -- as long as it has not lost the capacity to plan and produce some children's programs itself.

The CBC would be well advised to review very carefully the kinds of programs that are most advantageously contracted from independent producers, and in what proportions. An objective of a 50-50 share may not be appropriate in all categories "other than News, Information and Sports," as the CBC's statements put it (in "The Strategy of the CBC," p. 41, and "Let's Do It," p. 73).

If the CBC were to program a second television channel (in each language), more of the hopes and ambitions of the independent producers might be met, in a way less damaging than their proposal to dismantle the CBC's in-house production capacity.

The Annan Committee (Report, p. 101) spoke of the "critical mass needed for good production," and suggested

that regional BBC centres in Britain did not, and were not likely to have the necessary "critical mass" for many kinds of production. The same is true in Canada if 8, 10, or 12 companies divide the production of programs intended for a population of 17 million English-speaking and 7 million French-speaking Canadians.

7. CBC Programming Responsibilities: Conclusions

From the foregoing discussion, it seems doubtful that the programming mandate of the CBC should be substantially altered.

What Canada needs is:

(1) an expanded Canadian production capacity;
(2) additional channels of distribution for the programming so generated;
(3) delivery of services in both English and French to as many of the population as feasible;
(4) continuing attention to the range, variety, and quality of programs received by listeners and viewers;
(5) observance of the canons of broadcasting that should apply to all licensed bodies: fairness, freedom of expression, variety of program fare; and
(6) use of Canadian resources to reflect and express the Canadian reality.

In addition, our discussion concluded that the CBC's English and French services, in radio and television, should continue to heed "the special needs of geographic regions," including the North. It has been suggested also that some phrase might be added to recognize the needs of Canada's native communities, and the use of native or other languages in locations where numbers warrant such use (see page 38).

It is recognized that interpretation of these objectives will differ somewhat according both to the medium (radio or television) and to the number of choices among Canadian outlets in any particular community. In most localities, the number of Canadian radio stations (AM and FM) will exceed the number of Canadian choices on television. While the CBC should continue to be an organization providing mainstream and full service, it can legitimately take into account the extent and variety of program choices available through other outlets. That is one factor in shaping its network schedules -- a factor that will be different in AM, FM, and television. Such programming judgments cannot realistically be determined by legislative fiat. In my judgment it is therefore unproductive to try to differentiate in a statute between the CBC's radio and television obligations.

Finally, the greater costs associated with television must be measured against the powerful influence that all television sources have in shaping our attitudes and awareness of the environment. If proper account is taken of these influences, we will not leave it to programmers from another country to inform, educate, socialize and entertain our fellow-Canadians, especially the young. Given the realities of the market and the cost disadvantages in competing with United States networks, we cannot expect the private sector, unaided, to fulfil our domestic needs. A publicly-supported service seems to be the most direct, and probably the most economical, way to provide significant Canadian programming in quantity.

If this choice is made and accepted, it becomes self-defeating to place such severe financial limitations on the national service that its programs cannot stand comparison with well-produced and well-publicized programs available from external sources. In television, almost invariably the low-budget productions are accompanied by low audiences. This seems to hold true for public and private broadcasters. The networking arrangments of the CBC are intended to reduce the cost-per-viewer, rather than the cost per program.

While Canadian programs will always cost more per viewer than imported programs of the same type, the costs are relatively low compared with expenditures the average householder pays to receive radio and TV services, and increasingly for VCRs and cassettes.

Some economies for the CBC can be realized through co-productions and the use of Telefilm's broadcast fund. But there are certain dangers in replacing programs tailored for Canadian audiences by programs arranged for less-defined or international markets.

We conclude that the CBC should retain a capacity to produce its own programs in most subject areas, and the productions it acquires from independent companies should be regarded as a supplement rather than as a wholesale replacement.

IV

FACILITIES AND DISTRIBUTION

National broadcasting depends on facilities for production, origination, networking, and transmission to the viewer or listener. It requires in addition suitable distribution arrangements -- an efficient organization within the public agency, and co-operative or contractual agreements with transmission companies, other broadcasters such as network affiliates, and (very commonly) cable companies. Affiliation agreements will be affected by the network's advertising support.

Because the delivery of programs is so important to taxpayers as consumers, that is where much of the attention is focused -- in Parliament and the CRTC, for example. Thus, we see pressure to erect transmitters, accelerate coverage programs, free the regulations on the cable companies to gain access to more channels, and bring into being the open skies policy.

The result has been a marvellous achievement in coverage, despite the awesome difficulties of Canadian geography, terrain, time zones, languages, and patterns of settlement. But this has not been accompanied with up-to-date

production plants in centres where they are most needed.

1. Production Facilities

The first question is whether the CBC should own its own production and transmission facilities, except for the inter-city links provided by telecommunications companies.

That question is likely to be settled when it is determined whether the CBC is to continue producing a good share of its programs. The Applebaum-Hébert committee recommended not only that the CBC acquire all television productions except news from independent producers, but that it dispose of its studios and technical facilities. (It was not specific about whether any changes should be made in respect to CBC radio and the international service.) In any event, it would hardly seem practical to divorce control of studio facilities and equipment from production responsibilities.

In a few cities the CBC has facilities that match production responsibilities in those locations. But overall the picture is one of obsolescence, insufficient capital investment, and depreciation periods that greatly exceed those for U.S. networks and private Canadian broadcasters.*

*"Canadian Broadcasting Corporation Capital Plan," 18 September 1985, pp. 10-12

The situation in the network centre of Toronto is well known: a jerry-built collection of studios and workshops, with aging technical facilities for production and editing in both radio and television.

The replacement of old equipment with more sophisticated and expensive facilities (such as digital components) is going to result in some hard choices. It is unlikely that the CBC will be able to afford the variety of new equipment in smaller centres that it needs in Toronto, Montreal, Vancouver or Quebec City. Some of the originating stations will have to opt for the simpler modes of production, or make use of facilities elsewhere for some phase of the production.

Even in a large centre such as Toronto, the equipment has become so expensive that the CBC cannot count on owning all the necessary machinery. In fact it has never done so. Independent production houses (Pathé Sound and Post-Production house, Magnetic North, Film House, VTR Productions, for instance) are in constant use.

Assuming that independent producers in future contribute an increased share of CBC programming, there must also be plans to share CBC-owned facilities, services, and studio space. This also has been the practice.

In its 1983 Strategy paper, the CBC recognized this: "in order to support its commitment to independent production, the CBC must make its production resources more accessible to private producers, very few of whom own production facilities" (page 81). There are major implications here for the Broadcast Centre being planned for Toronto.

There is always some danger, in dealing with new or undercapitalized production companies, that the production may be threatened before the project is completed. At that stage the CBC may have to come to the rescue, or lose a promised program. In order to save the situation or prevent further outlay of funds, it has been known for the CBC to commandeer facilities from its own productions and place them at the disposal of the rescue operation. This surely is disruptive and, in the end, uneconomic. In spite of careful planning, such hazards will persist, and have to be counted among the costs of substituting independent for in-house production.

The problem may become more substantial as new and advanced equipment replaces the old. If a new Broadcast Centre in Toronto is provided with state-of-the-art facilities, one assumes that the centre will accommodate both CBC and some private production. While the CBC may save some money

by replacing its present haphazard and inefficient plant in Toronto, the question is whether independent producers will be prepared to pay an economic rent for the new and elaborate facilities placed at their disposal.

What must be emphasized is that production equipment is expensive and soon obsolete, and that the greatest revolution (digital) is just ahead of us. So a rational approach to development of plant resources, publicly and privately owned, is needed. This should not be understood as an ideological issue, of public versus private ownership, but as another illustration of the historic ways in which Canadians have met their development needs.

As for the CBC, it must have some tools for its own production uses, and should rent others. Consequently, both its capital and its production budgets must be realistically set to meet the standards the public expects.

2. Distribution Facilities

In addition to its originating stations, the CBC has hundreds of rebroadcasting transmitters, radio and television. CBC transmitters, together with those of its network affiliates, reach all but one per cent of the population for its primary radio and television services.

We are told:

> At least 99 per cent of both English-speaking and French-speaking Canadians have direct access to CBC television and mono radio services in their respective languages. Approximately 72 per cent of anglophones and 76 per cent of francophones also have access to CBC stereo radio. Since spring 1984, the CBC has supplemented the distribution of its stereo services by making them available, via satellite, to all Canadian cable companies. CBC English stereo radio is thus potentially accessible to 86 per cent of all Canadians, and French stereo radio to 83 per cent.
>
> (CBC Annual Report 1984-1985, p. 36)

These "potential" figures for FM Stereo are somewhat theoretical, since many cable companies have not shown an interest in distributing the audio service. Much more important for the present is the distribution by cable of the television coverage of the House of Commons -- as well as the placing of the English and French network programs on the first tier when on-air stations carrying them are locally available.

The facilities by which CBC programs now reach the public include not only landlines and originating stations, but rebroadcasting stations, shortwave transmitters, cable systems, microwave, satellites and transponders. The choice of delivery instruments is a technical matter, of course with implications for finance, and beyond the scope of this paper.*

*The complexities of the distribution system -- eight national networks, many regional networks, delays for five time zones, radio and TV affiliates, the mixture of terrestial and satellite delivery systems, and expenditures -- are well described in the CBC's paper, "Distribution," dated 9 October 1985. A familiarity with these arrangements is essential for anyone interested in understanding how our broadcasting system works.

Television has made more use of satellite links than has radio -- both for delivery and inter-regional feeds. If radio is to make more use of satellite transmission economically, it may well have to share certain facilities (such as uplink channels) with television. This may be one reason that the radio and television establishments should retain close links, both at engineering headquarters and in the network programming centres.

At the very least, CBC engineering will have to keep abreast of the new technologies, such as digital and analog component recorders and editing machines, high definition television (HDTV), multi-channel TV sound, electronic graphics, Direct Broadcast Satellite service, fibre optic transmission, and solid-state transmitters.* All of these have implications for delivery systems within the next fifteen years; and governments' plans for CBC capital should make adequate provision that Canadian broadcasting standards do not fall hopelessly behind.

The question can be raised as to whether all facets of program transmission and distribution should be removed from a programming and production agency such as the CBC,

*"Developments in technology and their impact on CBC television broadcasting for the next 5 years," CBC EHQ, Montreal, September 1985

and lodged instead with a telecommunications carrier. The Annan Committee in Great Britain observed that "the technologies required for broadcasting and telecommunications [are] becoming more similar; the institution providing transmission should have therefore the needs of both in mind." However their report concluded:

> We have said that in the longer term, we believe that responsibility for programming and transmission may be separated. We do not think the time for this has yet come. For the next 15 years, the present system of broadcast transmission will be the basis of programme service, and there seems little advantage in altering arrangements which are working well, when more radical changes may be desirable in 15 or 20 years time. (Report, pp. 395-7)

In Canada, unlike Britain, there is no single telecommunications company, and there may not be in the future, because of divided federal and provincial jurisdiction in this field. The kind of change possible in Great Britain may not be feasible in this country.

It would seem that national networks, public and private, should continue to see that their signals reach the telecommunications companies for inter-city transmission, the head-ends of cable systems, satellites, or their own transmitters, as applicable.

Historically, the principal supplement to the CBC's own transmitters in the delivery of network programs has

been the affiliated stations, and it is to this facet of the broadcasting system that we now turn.

3. Network Affiliations

As we know, CBC network coverage has been achieved by a co-operative arrangement between the national agency and many privately-owned affiliates -- first in radio, then in television. That arrangement persists today, though (especially in radio) it is not nearly as important a feature in the overall pattern of broadcasting as it once was.

Because CBC television is partly a commercial service and CBC radio is completely non-commercial, the affiliation arrangements are best examined separately for each medium.

RADIO

After the arrival of television, as CBC radio developed into a more specialized service and became non-commercial, most private affiliates wished to be released from their network obligations. After all, they depended on the sale of air-time, and the periods reserved for network programs were seen as a hindrance.

In 1974 the CBC was authorized by the government to launch the Accelerated Coverage Plan -- to extend both radio and television service to communities with populations of 500 persons or more.* The CBC embarked also on an interlocking project -- the Radio Affiliate Replacement Plan.

By March 1984 the number of radio affiliates had been reduced to 22 (15 with the English network, 7 with the French network). Now, in 1985, the numbers are down to 8 English affiliates and 6 French affiliates.**

To replace the disappearing radio affiliates, the CBC decided that the only feasible solution was to be found in installing its own FM transmitters in the necessary locations. That plan has gone a long way -- in a ten-year period the number of private affiliates (English) has been reduced from 56 to 8.

Apart from meeting the wishes of many stations to disaffiliate, the substitution of CBC transmitters brought a more complete network service to listeners in the areas concerned. Radio affiliates were carrying about 25 hours

*CBC, "Overview of the English Radio Service," 21 October 1985, p. 35

**The list of affiliated stations, together with the capital cost of replacement transmitters, appears in a short paper, "CBC Radio: Replacement of Affiliated Stations," (CBC Corporate Development, 11 October 1985).

a week of CBC programming, or some 20 per cent of the broadcast schedule. In addition there is the advantage that two or more FM antennas can be mounted on one tower, so that many communities now have access to two full network services (monaural and FM Stereo) in place of one.

There is the disadvantage that fewer people listen to FM, or have FM sets (though FM usage is rising). There is a further disadvantage pointed out by the CBC:

> The greatest contributor to the historical loss of audience for CBC radio was the loss of [local] presence in communities where affiliates were replaced with CBC-owned transmitters.... In 1970 the affiliates delivered 60 per cent of the audience to CBC radio; to date we have recaptured about half the audience lost through the affiliate replacement process.*

The budget cuts of 1985-86 resulted in a suspension of the radio affiliate replacement program. It is estimated that to replace the remaining 15 radio affiliates (French and English) would cost about $4.5 million (1984 dollars). Depreciation and some small operating costs would add to that capital cost, and there would be no offsetting increases in revenue.

*CBC, "Overview of the English Radio Service," p. 36

TELEVISION

The affiliation arrangements in television will be more difficult to undo than in radio. The CBC's reliance on private TV stations for part of its distribution has had decided benefits:

> This approach has substantially reduced the demand on public funds, assisted the growth of the private sector, and provided community service in some areas which otherwise could not have afforded it.
>
> In television, affiliates provide 20% of the geographic coverage. However, since many of them are located in less fragmented markets, they deliver almost 30% of the CBC's national audience. In return, they receive a share of the CBC's commercial revenue proportionate to the audience they provide -- approximately $11 million in 1981-82 [$16 million in 1984-85]. The only real cost to the CBC is compensation paid to certain smaller affiliates for switching operations performed on behalf of the network [$425,000 in 1981-82].
>
> ("The Strategy of the CBC," 1983, p. 49)

There are currently 26 private stations affiliated to the English television network, and 5 affiliated to the French network. On a full day they carry about 80% of the CBC's network programs, and in prime time over 90 per cent. But some important CBC programs are not carried at all by the affiliates -- for example, the Thursday Night "arts and culture" programs on the English network, or several of the children's programs.*

*"CBC Overview of the English Television Service," pp. 17-18

A few of the affiliated stations, with access to large markets, would do just as well or better financially if they disaffiliated from the CBC -- for example, on the English network, CFPL-TV London, and CKVR Barrie. (In fact, the London station has already given notice that it is applying for disaffiliation.) The two largest stations on the French network are CKSH Sherbrooke, and CKTM Trois Rivières.

But most of the affiliates are not in the class of these four. For stations in smaller markets, access to the CBC network has in many cases been essential to their survival.

The Applebaum-Hébert report advocated that the CBC discontinue selling air time for commercial advertising, and discontinue its affiliation agreements (Report, p. 289). It did not estimate the costs of providing alternative transmission facilities and of replacing commercial revenues, although these would run to perhaps two hundred millions annually. In 1984-85, advertising income was $212 million. Subtract selling expenses and commissions (about $48 million), and reimbursement to affiliates ($16 million). Net commercial revenues were therefore about $150 million. To this we should add the annual amounts necessary to amortize the required capital investment in replacing the private station transmitters -- an estimated $18 million, plus the costs of

operating the transmission facilities (about $9 million).*

These costs of $175 to $200 million do not allow for the provision of a local service, if any smaller affiliates go out of business. Nor does the reckoning assume any extra costs in replacing the United States programs now carried on CBC television.

Although the CBC (and the government) did not find it practical to follow the Applebaum-Hébert recommendations, the CBC has gone ahead with its plan to increase Canadian programming and decrease its share of U.S. productions. It also took the important step of moving its national newscast on the English network from 11:00 to 10:00 p.m., and supplementing it with a current affairs program, "The Journal." It did this against the advice of the private affiliates, and a somewhat better deal was offered them so that they would stay aboard.

But as the CBC accelerates its plans to "Canadianize" its prime time schedules, the affiliated stations again become nervous, in the expectation that commercial revenues will decrease. If disaffiliations proceed, there may be three options:

*"Television Affiliate Replacement," CBC corporate Development, 11 October 1985, p. 4

(a) allow the larger stations to disaffiliate, and replace them with rebroadcast transmitters to provide an equivalent coverage; or

(b) replace the larger station affiliates as in (a), and substitute direct payments to the smaller affiliates for the share of commercial revenue they now receive; or

(c) replace all the affiliates with rebroadcasting transmitters, at a capital cost of about $115 million. The CBC considers that the annual amortization and operational costs of some $27 million could be offset by the saving of the payments at present to affiliates ($16 million), plus new advertising revenues ($11 million) achieved through the increased population CBC stations would serve. (The latter figure, one might think, is open to question.)

Although we have not had access to a full study comparing these options, option (b) may turn out to be the favoured one. The drawbacks would certainly include some loss in audience for CBC programs in reserved time (as happened in CBC radio), but not as much loss as in option (c). The advantages would include: less reliance on U.S. entertainment programs as a revenue base, more choice for the viewer, and -- for the CBC -- more flexibility in scheduling to meet CBC objectives, rather than those of the private affiliates.

4. Advertising Support

In its first five decades, the CBC has followed the prevailing North American mode in accepting advertising support for its stations, networks, and programs. While some regard television advertising as a penalty viewers are forced to pay, successive governments have accepted the practics in the case of the CBC (1) in order to reduce payments from the public treasury, and (2) to facilitate the distribution of CBC programs through the co-operation of private affiliates. Without network commercials or "availabilities" within programs for local sales, the CBC would not be able to command release on private stations without higher payments to them.

The last full-scale investigation of broadcasting, the 1965 Fowler Committee, said it "did not regard substantial commercial activities as incompatible with the duty of the CBC to provide a comprehensive broadcasting service that is basically Canadian in content and character" (Report, pp. 224-5). It in fact advocated that the CBC increase its share of the television market to 25 per cent (and 4% for the radio market).

The CRTC in 1974, however, was convinced that "the disentanglement of the Corporation from the commercial context is an urgent priority." It asked that the CBC, within five years, reduce the amount of time allowed for advertising by

fifty per cent.*

In 1979, during CRTC hearings a CBC spokesman admitted, "We think CBC television has been influenced to too great an extent by commercial considerations. Too often our scheduling decisions were dictated more by our sales targets than by our concern for giving Canadian programs the best possible scheduling." The CRTC responded that it had "no objection to the Corporation continuing its network commercial activities in an increasing number of Canadian programs. The Corporation does have a mandate to provide a national service and advertising can be considered as a function of that service." However, the CRTC recommended that the CBC consider withdrawing from "local" commercial activities within the next five years.**

The local advertising on CBC stations may annoy many viewers -- but compared with network commercials, it has a relatively small influence on CBC scheduling and choice of programs.

There is little doubt that the volume and frequency of commercials detracts from the viewers' enjoyment of many kinds of programs. The CBC's commercial acceptance policy

*CRTC, "Radio frequencies are public property," 31 March 1974, pp. 37, 44

**"Decision: Renewal of the CBC's television and radio network licences," 30 April 1979, pp. 51-54

prevents the insertion of advertisements in some program categories, such as news; and briefer institutional advertising has been substituted for the usual commercials in certain presentations, such as "Glenn Gould: A Portrait." This practice could be extended.

On the other hand, North American audiences have been conditioned to accept television advertising almost everywhere in the schedule, and obviously most Canadians have not turned away from U.S. television because of its commercials.

In a national survey completed for the CBC, only 15% of respondents (the total numbering 1,393) said they would be willing to pay more in taxes for the CBC if it carried no commercials. Seventy per cent would not be willing to pay more, and 16% were not sure.*

The important thing at this time is surely for the CBC (and private broadcasters) to increase the range and choice of Canadian programs. The prospects for increased direct support for these initiatives from government appropriations are not rosy enough to suggest that the CBC dispense with advertising revenue at this time -- certainly not until the affiliates policy is settled.

*CBC Research, "CBC Television and Its Environment," Part II, Table VIII, February 1984

If in the future the CBC is asked to leave commercial revenues entirely to the private broadcasters, surely public policy should demand some quid pro quo. An increased share of the advertising pie should not be used merely to fatten owners' profits, or to allow more broadcasters to enter the field and reproduce the kind of programming we already have. It would surely by in the national interest to ensure that any retreat by the CBC from commercial broadcasting be accompanied by more funds spent on public broadcasting , to which the beneficiaries -- private broadcasters -- would contribute.

5. Additional Networks

In Section II the point was made that not enough Canadian programs are available to viewers in relation to the total programs exposed in the system as a whole. The most practical remedy is for the CBC to have access to additional channels of distribution, particularly in television.

In summary, the advantages of a second CBC TV channel, French and English, could be these:

(a) an increased volume of Canadian programming available to the viewing public, especially in prime time;

(b) more program diversity, more viewer choice;

(c) ability to meet the interests of those who want more than "mass entertainment";

(d) more opportunities for creative and performing talent;

(e) more opportunities to reflect Canadian particularities, such as regional life and cultural diversities;

(f) provision of a service less dependent on advertising;

(g) a national outlet for programs produced by other agencies such as the National Film Board, provincial educational broadcasters, and (especially) independent production companies;

(h) more programs directed especially to children;

(i) more on-the-spot coverage of important hearings and deliberations, such as parliamentary committees;

(j) fewer pre-emptions on the first network as unscheduled events arise;

(k) the chance to repeat programs worthy of a second or third showing.

A second channel, made possible by satellite transmission and the widespread use of cable, would represent the greatest fillip to Canadian programming since the inception of television.

The CBC estimates the cost of two new channels, one in English, one in French, at $25 million per channel: a total of $50 million.* The CRTC earlier denied the CBC's

*CBC, "Let's Do It," November 1985, p. 125

application for second TV services, on the grounds (1) that cable distribution would not serve all the interested public; and (2) that the then estimated cost of $35 million would impoverish the basic services of the CBC without assured increases in governmental appropriations.

The limitations of cable distribution would not seem to offer an insurmountable obstacle. Up to eighty per cent of Canadians can have a cable connection if they want and can afford it; and two-thirds of Canadian households now subscribe. The first television service was undertaken when a much smaller percentage of households were assured of service.

The matter of finance is extremely important. Is a budget of only $25 million per channel realistic? Would the main television service suffer? It seems to this writer that the provision of an alternative publicly programmed channel is so important, so fundamental, that it should become a declared objective for the very near future, and have governmental acquiescence for the increase in estimates that would ensue. TV-2 should not be at the expense of TV-1.

The CBC is also advancing proposals for more specialized channels in television and radio.* I cannot

*"Let's Do It," pp. 44-61, 96-98, 125-7

examine each of these in the present paper, but in general I should say they are worthy of most careful consideration. There is no doubt (without talking of "narrow-casting") that special interest channels in both media are capturing more and more attention, and we should see that these channels are put to the best use.

6. Repeats, Recordings, Publications; other means of distribution

The simplest method of increasing the audience for programs is to repeat them, or if they have been broadcast on regional networks, to replay them on additional stations or regional hook-ups. There may be repeat fees for some programs, but these are not necessarily prohibitive.

If there is a second network under the aegis of the Corporation, repeats can be arranged much more frequently almost as a matter of course. One would hope that writers and performers' contracts would be modified to facilitate this practice.

Co-productions, such as Radio-Québec/SRC, TV Ontario/CBC, or First Choice/CBC have a similar aim: to increase production standards and to expose programs to more than one audience. A beginning has been made.

Another development has been a more purposeful plan for the "further use" of CBC television and radio programs. Some of these have been offered to educational institutions and other borrowers through the National Film Board. More recently, sales of recordings, video cassettes, and publications based on programs have been undertaken by CBC Enterprises. These forms of distribution will be of increasing importance, especially with the phenomenal growth of VCR sales. Canadian videotapes, including those of the CBC, should be available wherever cassettes are rented or sold.

The CBC's revenues from "consumer products" such as recordings and audio cassettes totalled $2,316,000 in 1984-5 -- a not insubstantial figure, and one that is expected to grow by over 50% in 1985-6.*

Larger revenues come from sales of TV programs to foreign broadcasters, domestic broadcasters, and the videocassette market. Such sales have grossed about $5,700,000 a year. The revenues are less than one might expect: the returns for individual programs or short series are relatively modest unless a sale is made to a U.S. commercial network. That seldom happens.

*"CBC Enterprises," 30 October 1985, p. 6

Profits from sales should not be the only consideration. The foreign distribution of Canadian television programs is important (a) in helping make others aware that Canada is a country of high achievement in the cultural and entertainment fields; and (b) inducing a feeling of confidence among Canadians as they realize that others value the results of their effort. Canadian broadcasting has a high reputation among professionals in the field -- witness the large numbers of prizes won in international competition. But the same awareness is not widespread at home, and it does not yet extend to the average viewer in other countries.*

Programs such as "Glenn Gould: A Portrait," "A Planet for the Taking," "L'Oiseau de Feu," "Crac," "The Nature of Things," "Hand and Eye," "Music of Man," "Gestes et Mouvements," "Pavlova," "Empire, Inc." and "Seeing Things" have all had substantial sales; and much is expected for more recent productions such as "Karsh: The Seeing Eye," "Suicide Murders," and "Beau Dommage."

*In the late summer of 1985, this writer was in a Portuguese restaurant where nine o'clock diners were given the opportunity of watching "Empire, Inc." on a local channel. It was amazing to see how many were following the story with great attention, despite sub-titles. There were numerous references to business and politics in wartime Montreal and Ottawa in that particular episode.

To sum up: the CBC, even more than private broadcasters, must maximize audiences by exposing its Canadian production to different people, at different times, and in different places. Programs must find multiple use if we are to take the best advantage of our human and phsical resources.

V

THE CBC: STRUCTURE AND ORGANIZATION

This section will be concerned with the governing body of the CBC -- the Board of Directors, its position as public trustees exercising certain responsibilities delegated by Parliament, its ways of accounting for the performance of the CBC, and its relation with the Canadian Radio-Television and Telecommunications Commission.

We shall also examine the statutory provisions for a CBC president, and the main features of the organization that have evolved as a result of decisions by the President and his Board. We shall not attempt to make detailed suggestions for the reorganization of network and corporate responsibilities except as they impinge on the authority and responsibility of the President and the Board of Directors.

1. The Board of Directors and the President

Under the 1968 Broadcasting Act, the Canadian Broadcasting Corporation consists of "a President and fourteen other directors to be appointed by the Governor in Council" (section 34). A director is appointed for a term not

exceeding five years, may be reappointed for a second term, necessarily retires at the age of 70, but otherwise may be removed by the Governor in Council at any time "for cause." The directors (other than the President) are unsalaried.

The President is chairman of the Board and also the chief executive officer (section 36). His salary is determined by the Governor in Council. Ordinarily he is appointed for seven years, and can be reappointed. Unlike the heads of some other crown corporations, who may hold office at the pleasure of the Cabinet, the CBC President holds office "during good behaviour" [section 34(2)].

The Act also provides for an Executive Vice-President, who is appointed by the Board on the recommendation of the President "and with the approval of the Governor in Council." The statutory Vice-President is responsible for the management of broadcasting operations, and may serve as Acting President for a period up to sixty days, if the President is absent or incapacitated (sections 38 and 36(3)].

The Act says nothing about regional representation on the Board of Directors, although in practice the government tries to see that it is regionally representative, and that it is fairly balanced between the two main language groups.

Another consideration, although seemingly less compelling in the minds of government, is gender: currently there are four women Directors.

Since 1972, two chairmen of the National Film Board have been appointed to the CBC Board of Directors, and the CBC President has been a member of the Film Board. Private broadcasters or others with a financial interest are, under the Act, declared ineligible for appointment as a CBC Director (section 35).

The most controversial aspect of governmental appointments is that many, or most, are "political" appointments. It appears that senior ministers are consulted when an appointment is pending from the province with which that minister is concerned, and party service or party connections may be a deciding factor.

In practice it seems that party affiliations have not been a very strong indicator of how Directors will interpret and carry out their responsibilities, or not very often. The important effect is, however, that Board members are conscious of the political nature of most appointments and hesitate to take a prominent role in public discussions on CBC broadcasting, fearing, perhaps, that what they say will be discounted by those who have other political loyalties.

A consequence is that, although Board members are consulted frequently by the President, meet often and undertake a good deal of onerous committee work, they are known to very few members of the public. The CBC does not hold public meetings at which its Directors appear (unlike the CRTC). Directors have seldom appeared before the House of Commons Committee on Communications, even when invited to do so by the President. (They may fear partisan attack.) Of course part-time Directors, paid only per diem and travel expenses, will not know the details of broadcasting operations, but on larger issues they should have a contribution to make.

The President therefore tends to be not only the prime spokesman and defender of the CBC's role in the broadcasting system, but almost the only representative of the Board who speaks in public forums. The assumption is too easily made that the other Directors are ill-informed, do not take their duties seriously, or are brain-washed by the President and/or the CBC's senior staff.

From my interviews with former Directors and CBC presidents, my impression is that this is far from the truth. After a year or so, many CBC Directors become knowledgeable about CBC finances, relations with the government, policy

issues, and future directions under consideration. My reading of Board minutes (up to 1968) showed that the President was scrupulous about sharing information with his Board, and was guided by Board consensus or majority opinion.* I have no reason to think that the practice has changed. What may be true is that they have little familiarity with program operations in the main network centres. This may have as much to do with the location of head office, and the usual locale of their meetings in Ottawa, as with any intention of the CBC president to erect a barrier isolating the Board from the functional media centres.

We have now to consider the role of the President, who serves not only as chairman of the Board and chief spokesman for the Corporation, but as chief executive officer [section 36(1)]. A question is whether these responsibilities are too much to demand of one individual, and whether there are other arrangments thatwould allow more effective operations and also better forms of public consultation and accountability.

*An exception may have occurred in 1959 during the President's illness, and a period of tension that followed. The Board then was completely new.

2. Changes in the composition of the Board

I have suggested elsewhere (in the paper "Canadian Broadcasting as a Single System") that the CBC Board of Directors should be more fully responsible for the CBC's policy and performance than it is under the 1968 Broadcasting Act.

Its role and that of the CRTC should be more sharply defined, so that one board (the CRTC) does not have to second-guess the other (the CBC Directors) when network and station licences are granted or renewed. It seems illogical, for example, that the CBC President and Directors should report to Parliament to account for their policies and performance, and repeat their explanations and defend their record once again before the CRTC.

To emphasize their public responsibility and the importance of the powers delegated to the CBC Directors, a name change might even be considered. A.W. Johnson, the former CBC President, thinks that "Trustees" is preferable to "Directors," to emphasize their main function and responsibility. They are trustees by virtue of Parliamentary delegation, responsible for national program services and the wise expenditure of public funds, accountable to

Parliament, and answerable in a larger sense to the Canadian listening and viewing public.

Whether or not the CBC Directors' relationship with the CRTC is clarified in the way I have suggested, it is vitally important that the CBC's arms-length relation to government be strictly maintained. A national and public communications system is in danger whenever the perception grows that it is, or might be, a voice for the governing party, a promoter of governmental interests, an agency that can be rewarded or punished on the basis of how well programs conform to the priorities of the government party.

It is therefore essential that thought be given to improving the process through which CBC Directors are nominated and selected. The CBC is not a crown corporation like any other. It is not primarily a business to be judged on the narrow grounds of managerial efficiency. It is the core of this country's communications system, sharing with education the critical role of transmitting our nation's heritage and expanding our knowledge and cultural horizons. The CBC must be in good hands, and governed by a group of persons who are ready to answer for their stewardship.

Formally, the means of accountability are now in place. These are described in a short paper by the CBC's general counsel, Me. Jacques Alleyn ("Relation à Distance et Imputabilité de la Société Radio-Canada, 3 octobre 1985). But additional measures would allow the Board of Directors to function more effectively, and communicate with public and Parliament more openly.

3. Recommendations for the Chairman and the Board

(a) Members of the Board should be selected for their capacity, integrity, and understanding of the CBC's responsibilities, rather than as a reward for party service in a particular region.

There may be several ways to improve the nomination process. The government could strike a non-partisan committee to make recommendations -- as is done with the Order of Canada, or the committee of the Canadian Bar Association which advises on the appointment of judges.

Another method might be to have the leaders of the main parties in Parliament submit nominations, on the understanding that the names submitted should remain confidential. The hope would be that each party leader would feel an obligation to suggest names of persons at least as worthy as those suggested by the other leaders.

A third method might be to have nominations subject to review in a parliamentary committee, as happens with important nominations in the U.S. Senate. The disadvantage is that some persons of good potential might not wish to have their names submitted, in case their nomination became the object of partisan wrangling.

Whatever method is used to make suitable appointments, the members of the Board should continue to be removable only "for cause." This is an essential precaution in keeping the appropriate distance between government and the broadcasting agency.

Regional representation should continue as an important consideration in selecting Board members. Beyond this, there must be variety in <u>experience</u> that Board members can bring to bear in making judgments. The CBC is (in Canadian terms) a big orgnization, and at least some of its Directors should have knowledge of organization and management practices in their own lines of endeavour. Other Directors should have a knowledge and concern about programming.

The chairman of the board will have more frequent occasion to meet government ministers than other board members. The chairman (like the President today) should "hold office during good behaviour" for the period prescribed in the Broadcasting Act.

(b) The CBC Directors should be authorized to hold public meetings for the discussion of broadcasting objectives.

These meetings should be held in various locations over a period of time. The open meetings might precede or follow regular Board meetings, to save time, and not all members need attend every public meeting held under Board auspices. But more visibility for the Board is essential if they are to be seen and accepted as public trustees.

(c) The Directors should be paid honoraria.

These would be similar to the fees paid in Great Britain to the Governors of the BBC, and would be in addition to the per diem and travel allowance. The Pilkington Committee in Britain considered that "The fees [to BBC Governors] should not be so small as to involve personal sacrifices, nor so big as possibly to impair a readiness to resign if necessary."

As it is, CBC Board members spend a good deal of time on the Corporation's business. They meet in full session almost monthly, and spend additional time on committee work. One Board member (recently resigned) estimates that he spent 25 or 30 days a year on Corporation business, aside from the time in reading documents and briefs. It is not fair to ask Directors to undertake additional responsibilities without some recompense.

(d) <u>The functions of Board chairman and chief executive officer should be separated</u>.

This separation of function was observed until the legislation changed in 1958. The orientation of the Board members should be to general policy and public accountability, rather than broadcasting operations. Their function would be highlighted and better understood if their chairman was not at the same time the chief executive officer.

Until 1958, the CBC had a chairman (at first part-time, and later full-time) who was distinct from the general manager. During this period the CBC had two of its best spokesmen -- L.W. Brockington and A. Davidson Dunton, who had more time to think about policy, long-term objectives, and communication with the public than their successors have enjoyed.

A similar differentiation is to be observed in the BBC, where there is a Chairman of the Governors, and also a Director-General, chosen by the Governors.

The Annan Committee described the role of the Governors thus:

> The Goernors have to ensure that the BBC's services are conducted in the general public interest. They must candidly tell the professional broadcasters why they agree with certain public criticisms. At the same time, they have to defend the broadcasters

> from pressure groups who want to further their own aims and to tell the public, and indeed the Government, why they are not prepared to interfere with the editorial independence of the broadcasters or admonish them when they have been exercising their editorial freedom irresponsibly. There can therefore be no doubt who takes the strategic decisions on the BBC's policies. The buck stops at the Governors. (Report, p. 119)
>
> The Governors are not top management responsible for day-to-day operations. They are bound to have to keep their distance to a certain extent and re-emphasise their role as public guardians .... It is for the Governors, not the senior staff, to make the final judgment in the public interest. It would do worlds for the reputation of the BBC with the public if the Governors were seen to govern. (p. 120)

The Annan Committee went on to say that the Governors should not "see and endorse controversial programmes before they are transmitted... That is the task of the Managing Directors and their staffs, if, after all pre-production discussion, there is doubt about the finished product. We consider that the Governors should operate by retrospective review of programmes. Their comment, criticism and praise over the months should build up within the BBC a body of opinion within which individual producers would learn to know the ropes."

The Annan Committee's observations seem applicable also to the respective roles of the CBC Directors and the management and staff.

(e) The Chairman of the Board should be designated by the Governor in Council.

It is important that Cabinet and Parliament have confidence in the Chairman and in his integrity and good judgment. Therefore the Cabinet should make this selection. A Vice-Chairman (if such a position is thought advisable) might be selected by the Board from among their own number. Possibly when the Chairman is from one language group, the Vice-Chairman might be from the other.

(f) The Chief Executive (or Chief Executives, if there are more than one) should be chosen by the Board, and responsible to them.

Reasons for this have already been stated. As one Director told me, if the Board had this power and responsibility, the government would take more care in seeing that the best possible appointments were made to the Board.

(g) The Chairman should have a salary and probably be full-time.

The disadvantage of a full-time person is that the distinction between the policy and executive functions might become blurred, since the Chairman is always available to listen to top officials in the Corporation and help them resolve problems.

The BBC Chairman is, as the Annan Committee says, "nominally part time...but in practice it has become virtually a full-time job."

The advantage of a full-time Chairman is that he or she then has the opportunity to learn enough about the Corporation to act as an effective leader of the Board, and to exercise independent judgment without being totally dependent on information that comes up from senior staff.

It can also be argued that, although the BBC is a much larger organization in numbers of employees, the CBC's organization and range of responsibilities is more complicated by virtue of the size of the country and especially the language duality. A part-time chairman would have a very difficult time coming to grips with his responsibilities under present-day circumstances.

(h) The Chairman and the Board should have their own secretariat.

The secretariat need only be modest in size, but distinct from the assistants to the President or Vice-Presidents.

This was also a recommendation of the Annan Committee, who added:

> The secretariat might be regarded as a suitable assignment for producers destined for senior management posts with the Corporation.... In this way, comparatively junior staff learn to understand the problems which come before senior management and the Governors. (pp. 120-21)

4. Ways of organizing the Executive Function

If we decide that a full-time Chairman should be selected who is not the chief executive of the CBC, we then must decide whether the organization established by the Board should remain as one entity, or whether it should be divided into two or more parts. That in turn should help us define the nature of the executive teach for which the Board assumes responsibility.

As it is now, the CBC dispalys enormous complexities in its structure and variety of function. We have looked at its chief functions in earlier sections of this paper, and our general conclusion was that these are essential for an effective national broadcasting service. We concluded also that the general mandate in the Broadcasting Act is applicable to every part of that service: French and English, television and radio, regional and national. Another unifying factor is the existence of common elements, common support services and physical plant, that are most economically maintained in the interests of all networks and stations.

Nevertheless, for ease of administration, to avoid the perils of bigness and long lines of internal communication, ways of dividing the corporation functionally might be considered. There are, first, the <u>two principal media</u>,

radio and television. There are, second, the two languages in which these media operate. The language distinction could be more fundamental than the division between radio and television. Then there are the regional production points dotted across the country. A geographic division might be possible, except that networks are designed to overcome geographic barriers.

A further complication lies in the principal support establishments -- engineering, personnel and administrative services, finance, publicity and public relations, and so forth. Some of the support staff are an aid to network and station programming and production; other support people are headquarters staff, or provide services common to all operations.

Finally, there are activities that may not be easily assigned to radio or television, one language service or another. An example is Radio Canada International. Another is CBC Enterprises, which is growing in importance as the initiator of "further use" of CBC programs, and, working closely with the production departments, often suggests program ideas and program packages that have public or international appeal.

There are three main choices:

(a) maintain the present organization, in which the President, the Executive Vice-President, and their staff take responsibility for all CBC services from their vantage point in Ottawa;

(b) divide the Corporation functionally according to the medium: radio or television. This would have the advantage, no doubt, of ensuring that radio receives more top-level attention than it has had for many years, because of the complexities associated with television;

(c) divide the Corporation into two parts, according to the principal language employed. This would recognize the fact that broadcasting for the most part communicates through language. It would also facilitate quick and easy communication among those charged with making the operations work. A disadvantage is that many support services at present are common to broadcasting in the two languages, and a French/English split might result in expensive duplication.

The way around this difficulty might be to centre operations in two cities: Montreal (French) and Toronto (English) -- as they were until the most recent re-structuring; but have a division of Common Services, which might be administered at the operational level from the appropriate

network centre, and in corporate terms, in Ottawa as at present. (Engineering is an exception, with its planning staff located in Montreal.)

The BBC is a much larger orgnization than the CBC -- over twice as many employees. In 1977, the Annan Committee debated whether it should be split into two corporations, one for television and the other for radio and external (international) services, each corporation having its own Board of Governors. The majority of the committee (10 out of 16) decided there were a decisive number of arguments favouring one corporation:

> The number of the BBC's services, and the size of the organization which supports them, gives the BBC that influential place in the life of the country, which is the best guarantee of its independence... The enemies of political freedom in this country would find it harder to capture the BBC than to pick off smaller broadcasting organizations....
>
> If television and radio are to be separated and both financed from a combined licence fee or one of them from direct taxation, there is a considerable risk of Treasury control and hence of Ministerial interference....
>
> Nor were we convinced that the BBC had become too large for one Chief Executive. Compared with some of the nationalised industries and large industrial corporations, the BBC with its 26,000 staff is not a large corporation.
>
> (Report, pp. 114-16)

In the Canadian context, it seems important to maintain one Board of Directors (or Trustees), responsible to Parliament for the national broadcasting service, and the fact that the common elements and services are applicable to both media persuades me that radio and television should not be wholly separate.

On the grounds of public policy, I do not think it defensible to set up two broadcasting corporations, each with its own Board of trustees, on the basis of language.* We have not done so in any other board of commission, in CN, Air Canada, or the CRTC; and it might be regarded as a sign that out confederation is not workable if we did so in our national broadcasting enterprise.

Yet we hear that the President of the CBC has a very nearly impossible job under present conditions -- the previous President (A.W. Johnson) tells me that he regards it as such, and he has been casting about for a more workable solution.

In the BBC, there is a functional division of the Corporation between radio and television. Each has a Managing Director. There is a third Managing Director as well for External Services (a much larger organization than RCI, the Canadian counterpart). The three Managing

*One former CBC Director told me he would be prepared to countenance "two sister corporations," each with its own Board, if the division were made on the basis of language. He suggested that they could find ways of sharing the operational plant and common services.

Directors report to the BBC's Chief Executive, the Director-General. Each Managing Director has a Program Director reporting to him, and each assumes responsibility for engineering, finance, personnel and public relations within his particular service.

There are also four central directors for these four activities: engineering, finance, personnel, public [corporate] affairs. These four directors provide support to the Director-General, and on his behalf to the three Managing Directors. As the Annan Committee explains (Report, p. 97):

> For example, the Director of Engineering exercises a professional responsibility for engineering standards throughout the BBC but he has a direct "line" responsibility for operating the distribution and transmission network and for implementing the capital programme. Similarly the Director of Personnel has a responsibility for initiating and maintaining common staff policies throughout the BBC, although the detailed implementation of those policies rests with the Managing Directors.

It is an important principle that an advisory group, or indeed a government minister, should not try to dictate to the CBC how it should organize itself. That should be the responsibility of the Board of Directors. However, the broadcasting legislation should

specify whether there is to be a President and Executive Vice-President (as it does now), or a Chairman and one or more Presidents, if that term is to be used to describe the chief executive(s). Such decisions substantially affect the next levels in the administration the Corporation decides upon.

I therefore only <u>suggest</u> two possible organizational patterns, for consideration. These follow on pages 116 and 117.

CHART ONE

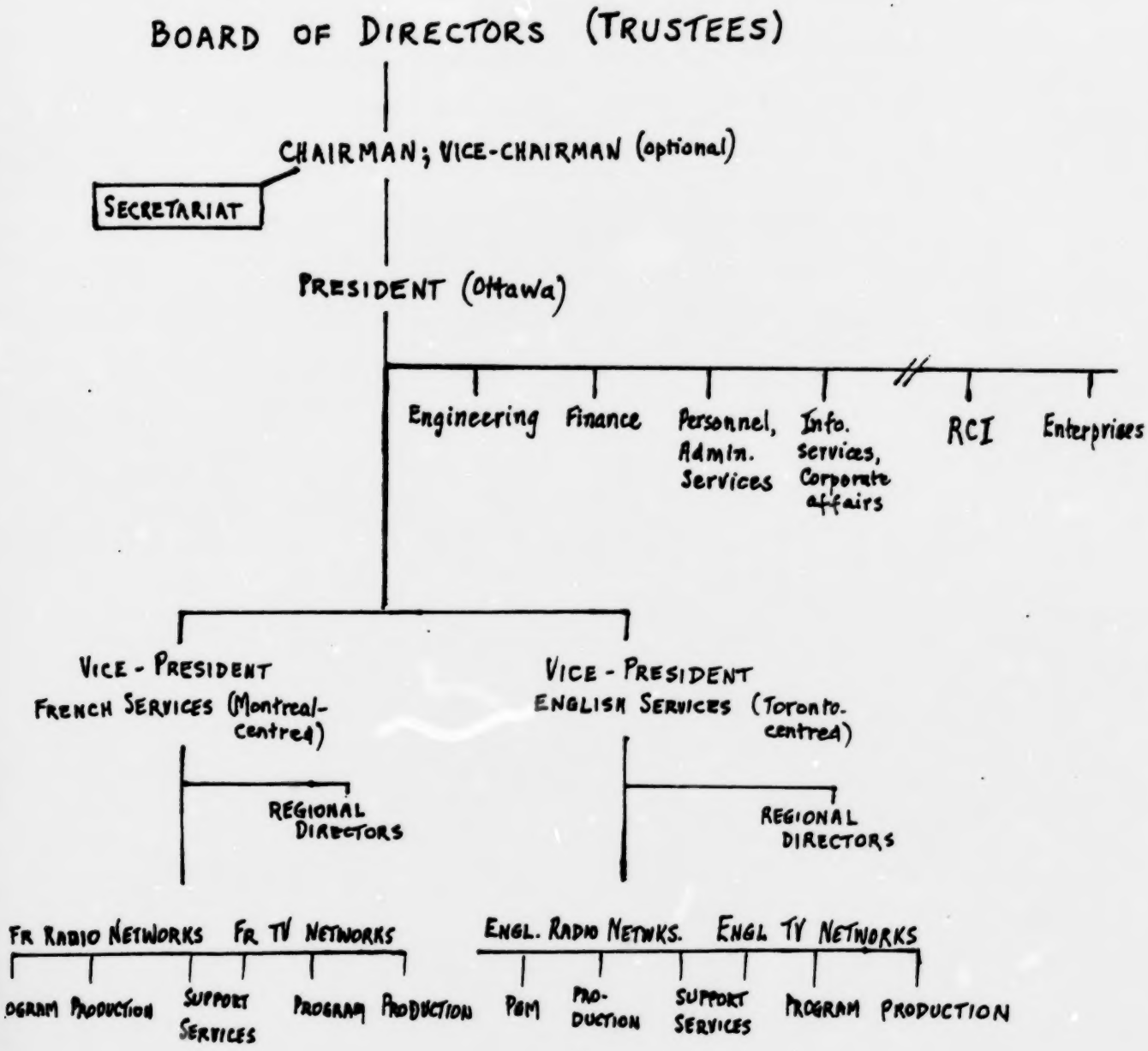
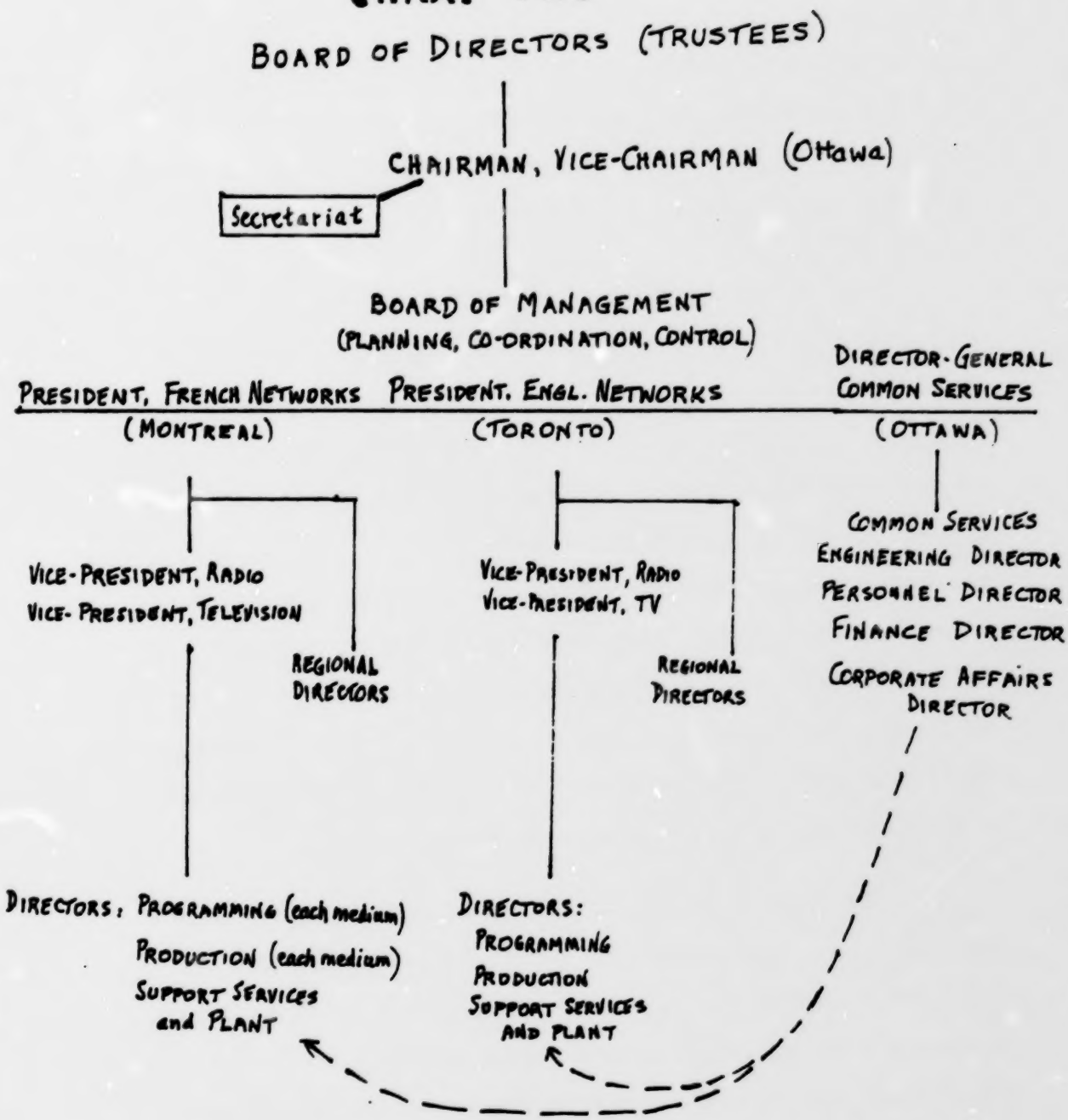

BOARD OF DIRECTORS (TRUSTEES)
CHAIRMAN; VICE-CHAIRMAN (optional)
SECRETARIAT
PRESIDENT (Ottawa)
Engineering
Finance
Personnel, Admin. Services
Info. services, Corporate affairs
RCI
Enterprises
VICE - PRESIDENT FRENCH SERVICES (Montreal-centred)
REGIONAL DIRECTORS
VICE - PRESIDENT ENGLISH SERVICES (Toronto-centred)
REGIONAL DIRECTORS
FR RADIO NETWORKS
FR TV NETWORKS
OGRAM
PRODUCTION
SUPPORT SERVICES
PROGRAM
PRODUCTION
ENGL. RADIO NETWKS.
ENGL TV NETWORKS
PGM
PRO-DUCTION
SUPPORT SERVICES
PROGRAM
PRODUCTION

CHART TWO



Note: In this version each President is a Chief Executive for services and operations in his sphere. Board of Management to consist of the two Presidents and Director-General of Common Services.

The above charts are for illustrative purposes only. The details of organization in each network and regional station can be decided only by those who undertake the responsibility of operating them.

The most important distinction between the two organizational patterns revolves around this question: Should there be <u>one</u> chief executive officer (a President), responsible for the whole system? Or should there be <u>two</u> chief executive officers, appointed by the Board and answerable to it -- one for French networks and services, the other for English networks and services, who could share common services such as engineering and finance? If the latter, the two Presidents and the Director-General of Common Services might together form a Board of Management, under the policy umbrella provided by the Trustees (Board of Directors), and accountable to them.

The first arrangement, resembling the one now in existence, is simpler and more hierarchical. The second arrangement makes the heads of the two language services more publicly accountable and certainly more prominent. Day-to-day contact with productions is easier to maintain, and the lines of communication between President and operating centres is as short as possible.

Mr. A.W. Johnson is convinced that a President situated in Ottawa is hard-pressed to take effective responsibility for all CBC program decisions and activities in each language, and believes that no single individual should be asked to do so. He thinks that a President in each network centre (Toronto and Montreal) would be in a better position to carry the effective responsibility for each language service.

He also argues that since not all senior officers in the Corporation under the second scheme would have to be fluently bilingual, the CBC would have much more choice in appointing the best available candidates for senior positions than it has at present.

In each scheme, the ways in which <u>regional</u> heads report to either Head Office (Ottawa) or the network centres (or both) is left undetermined. I would merely make the general observation that for programming purposes (which should be paramount) the lines of communication between production points and network program departments should be as short as possible and not impeded by (a) overstressing regional autonomy, on the one had; or (b) a desire to centralize administrative control at headquarters, when program considerations suggest either Toronto or Montreal as the natural co-ordinating centre.

5. Organization and Finance

How the CBC is structured has implications for the ways in which its public funds are appropriated, and the form in which annual expenditures are reported to Parliament.

For some years after 1968 parliamentary votes were for two main expenditure objects: operating and capital. In 1974-75, for example, the CBC's Consolidated Statement showed the source of funds as follows:

Net Parliamentary payment for:	
Operating expenditures	$234,901,000
Capital expenditures	55,799,149
Summer Olympics 1976	7,200,000
	$297,900,149

The net cost of operations was $260,750,990, less allowances for depreciation and amortization ($19 million), or $241,711,893 (Annual Report, 1974-75, p. 42).

In that year, the "cost of programs broadcast" was shown in two supplementary pages (51 and 52) analyzing Radio programming and Television programming, each under these heads: English, local and network; French, local and network. But the Consolidated Statement of Operations (p. 75) did not contain a similar breakdown. In this statement, the

principal expenses were shown as: Programs; Network distribution; Station transmission; Payments to private stations; Commissions to agencies and networks; Operational services and administration; External services; Selling and general administration. The division of funds between television and radio, French and English, were not evident unless one looked beyond the financial statements for that information.

In more recent Annual Reports (and reflected in the information placed before Parliament), the objects of expenditure have been outlined more clearly.

For example in the 1981-82 Annual Report, the Statement of Income and Expense (page 68) shows the expenditures in seven categories, but the largest item, "National Broadcasting Service, program and distribution costs," has this note added to it: "See supporting Schedule A for details."

Schedule A is on the page opposite, and shows expenditures in these categories:

English language

Radio	Television
Network ...	Network ...
Regional ...	Regional ...

French language

Radio	Television
Network ...	Network ...
Regional ...	Regional ...

Distribution

Radio	Television
Network distribution ...	Netw. distribution ...
Station transmission ...	Stn. transmission ...
	Payments to private stations ...

Operational management and services

Programs and distribution

Radio ...

Television ...

Total program and distribution costs ....

This pattern of reporting has continued, and provides a reasonable amount of financial information to the members of Parliament or others concerned with CBC costs. They can easily find the breakdown in important categories. For example, using figures from the 1984-85 Annual Report, one can readily calculate that the total program expenditures

for English-language services are about $452 million, and $271 million for French-language services.

Or, classifying by medium, the radio costs are about $160 million, the television program costs are about $563 million.

Add distribution costs and operational management and support services, and the totals become: Radio, $223 million; Television, $737 million.

If a reorganization were to be effected by dividing the CBC more distinctly between radio and television, separate budgets presumably would be submitted to Parliament on this basis. On the other hand, if a reorganization should be based on the CBC's services in the two languages, the budget submissions should reflect that division.

The CBC has resisted suggestions that its parliamentary appropriation should be divided between radio and television on the grounds that smaller appropriations lessen the Corporation's flexibility.

So long as the CBC is subject to unforeseen budget cuts, from one year to the next, there is substance to the CBC's argument. Flexibility is needed, if management is

to cope with a sudden reduction of $71 million, as happened in 1978; or cuts totalling $85 million, as announced in the fall of 1984.

If the CBC's level of funding could be assured for some years ahead, as recommended by every major inquiry since the Massey Commission, the CBC might with justification be asked to accept smaller votes directed toward particular objects, such as French-language television, French-language radio, English-language television, English-language radio, and Common Services. Until such longer-term funding is assured, it may be foolhardy for the CBC Board to accept limitations on its discretionary powers to increase one allotment, or decrease another, in any particular year.

The priority should be to assure funding on some steady basis for a three or five year period, perhaps through a formula based on population, or G.N.P., or the aggregate disposable income of Canadians. Until funding is steadier and more assured, the CBC will be unable to plan more capably or indeed to operate at maximum efficiency.

VI

SUMMARY AND CONCLUSIONS

From my periodic surveys of CBC program schedules, I have come to the conclusion that the CBC is now interpreting its mandate in reasonable fashion in its several services -- radio and television, French and English, Northern broadcasting and the international service, and the transmission of parliamentary proceedings. In radio, it has made a satisfactory adjustment to the loss of private affiliates, to the development of FM as a medium of choice, and to the specializations in radio programming characteristic of the stations under private ownership. CBC radio is a national voice in a medium that for the most part is relentlessly local.

The doubts and criticisms have in the main arisen around the television services, and their costs -- and particularly English language television. French network television has always played an important role in Quebec, and in more recent years, in other regions where French-speaking Canadians reside. The indications are that, in spite of spirited competition from the TVA network the programs of Radio-Canada still enjoy popularity and an even share of the audience.

Ten to fifteen years ago, however, the English TV network of the CBC seemed to be in trouble. As CTV extended its coverage, as more TV stations were licensed, and especially as cable extended the reach of U.S. networks into most sections of the country, the CBC's English network was faced with a difficult challenge. The network and its affiliates were greatly dependent on U.S. entertainment programs for their revenues and share of audience. The CBC realized that its part in distributing Hollywood programs was not as essential in meeting audience demands as it had been, but knew also that a sudden curtailment of those programs would threaten not only audience share (and thus political support), but also the full coverage afforded by the network affiliates.

For several years, it appeared that the CBC's English network was too much like its rival, CTV, especially in prime time. There were differences, of course: CTV had no counterpart for science programs such as The Nature of Things, historical documentaries such as The National Dream, Images of Canada, religious and philosophical programming such as Man Alive, Canadian dramatic serials such as The Beachcombers, the daily public affairs show Take 30, or Marketplace and The Ombudsman (to name programs televised in 1974); or the many regional productions carried on networks of different sizes. But a re-assessment of the way the CBC was living up

to its mandate was still clearly in order.

This determination was clearly expressed in the statement of June 1977 by the President, A.W. Johnson, "Touchstone for the CBC," and endorsed by the CBC's Board of Directors. As previously pointed out (page 42), this statement set out goals for the CBC's television and radio services that in spite of financial difficulties have been gradually implemented. That is notably true of the first goal mentioned, the "Canadianization" of English-language TV.

Given the fact that budgets have not kept pace even with inflation in the last six years, and the high fixed costs of the distribution the networks have achieved, one can argue that the CBC has achieved nearly all that could be reasonably expected of it. Its television services are still too commercial, but the advertising revenues have made possible a level of professionalism in production that has enabled the CBC to compete for audience attention with the plenitude of imported programs available on all channels. The CBC's television service is no both distinctive and Canadian. At one time this could have been disputed; but in 1985 the English-Canadian network has as much Canadian programming as its French language counterpart.

The main goals still unrealized are (1) to increase the variety and choice of Canadian programming available to audiences, French and English, especially in prime time; (2) to draw nearer to providing an equal share for Canadian programming in the whole system; and (3) to reduce the number and frequency of advertising messages in programs made less effective by the proliferation of commercials.

The first goal, as indicated previously, is most likely to be realized by a second (or second and third) channel for CBC use. The second goal will be brought considerably closer by a TV-2 channel for the CBC, but will also require a transformation of the program services delivered by the profitable private TV sector. The third goal is most likely to be realized by adequate public funding and in particular a level of funding guaranteed for a period of three years or preferably five years, according to a formula that is seen as fair by Parliament and the public.

If these objectives are to be realized, those in public office will have to come to a realization of the importance of broadcasting in our lives and in our national existence. The present inquiry has an opportunity to articulate this message and to drive it home among those who care about our future.

I have made some suggestions regarding the programming mandate of the CBC and especially about a changed structure, involving the Board of Directors, the President, and chief executive authority, which I shall summarize in the next few papges.

SUMMARY

Pages

The Programming Mandate

1. The programming mandate of the CBC has existed in very nearly its present form for many years. 7-8
2. The objective to provide a "balanced service" and a full "range of programming" must be interpreted differently for radio and for television. 10-12
3. The English TV service of the CBC differs substantially from that of the other national network, CTV. 13-14
4. There are some differences in program variety between CBC English and CBC French TV, but these are less important than the differences between the public and private networks. 15-16
5. Section 3 of the Broadcasting Act is clearer about the CBC's responsibility than it is about what should be expected of the private sector. 17
6. CBC television is not as strong as it should be in the "performance" categories -- drama, variety - but most Canadian production in these categories is expensive. 17
7. The CBC's attention to English and French-language programming seems fairly apportioned. 19-20

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8.	The phrase, "regional information and entertainment" is difficult to apply and interpret so that it will be understood by everyone in the same way, but -- however defined -- the CBC's programming is both regional and national.	20-24
9.	The CBC's networks are among the most decentralized in western countries. Some rationalization of regional production in television has begun, and should be continued.	24-28
10.	The CBC's <u>local</u> programs on television have been criticized. To some extent, the distinction between <u>local</u> and <u>regional</u> is artificial. A measure of local programming appears to be justifiable and necessary.	29-32
11.	Northern services must be provided by the CBC since there are no other broadcasters able to provide a satisfactory range of programming.	33-34
12.	Government, in the North as elsewhere, must determine the extent of <u>coverage</u>, but this entails a responsibility for the funding of operations and services.	34-35
13.	CBC must co-operate in providing facilities for native-language programming, in radio and sometimes in television.	35-36
14.	Despite their relatively small numbers, native groups are justified in expecting a reasonable level of service from the national broadcasting agency.	36-37
15.	A modification of Section 3(g)(iii) to recognize the CBC's responsibility in native-language broadcasting might be considered.	37-38

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16.	The International Service of the CBC (RCI) should be continued under present arrangements. The CBC takes advice on priorities in coverage areas and language services, but exercises its own judgment in regard to programs.	39-40
17.	It is not an appropriate time to make legislative provisions for the CBC's distribution of parliamentary coverage.	40
18.	The drive to "Canadianize" the CBC's television schedules has had considerable success.	42-43
19.	It would be a wrong choice to ask the CBC to restrict itself to programs that other broadcasters do not want to produce or carry.	44-47
20.	The CBC's share of the television audience is very satisfactory in French Canada, and stable in the case of the English-speaking population.	48
21.	The central failure of Canadian television is to be found in the system as a whole, rather than in identifiable weaknesses of the CBC's networks.	49
22.	Still, CBC television is not as strong as it should be in certain categories -- youth programming (English); the arts and humanities; drama and variety. The latter categories depend on revenues, or sharing the load with private broadcasters and production companies. The showing of a fuller complement of arts, music, and humanities, and other programs for discriminating audiences, depends on more hours of television service -- particularly through a second, mainly non-commercial, TV channel.	50

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23.	The CBC's record, over the years, in contributing to a sense of Canadian identity is a strong one. The objective of contributing to the development of national unity is hard to assess, and may to some degree be incompatible with the "Canadian identity" and "freedom of expression" objectives. Despite the inherent ambiguities in these phrases, I do not recommend dropping them.	50-56
24.	The CBC has responded quickly to the growing capacity of independent production companies to contribute to their TV schedules, and to the opportunities provided through Telefilm.	56-64
25.	Nevertheless, we should be wary of the exaggerated claims of some independent producers, and charges of CBC production inefficiencies.	57-60
26.	The CBC should make continued use of independent production companies and Telefilm funds, but should be careful (1) to keep enough controls so that its mandate is observed, and (2) to retain enough production capacity so that it can adequately judge the proposals and planned costs of independent production.	63-66
27.	The programming mandate of the CBC does not require substantial alteration. There are many more pressing needs of a different character.	66-69
	<u>Facilities and Distribution</u>	
28.	Canada's highest achievement has been in coverage rather than its record of production and provision of production facilities.	70

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29.	Much more attention to keeping production facilities up-to-date is needed. Some will have to be shared by the CBC with other producers; some will continue to be rented.	71-74
30.	The CBC will probably have to look after its own transmission and distribution requirements, and again this will mean a capacity to understand and use new technological developments.	75-77
31.	Reliance on radio network affiliates has been rapidly declining. Replacement of television affiliates implies more difficult choices.	78-80
32.	Affiliation agreements in television have commercial ramifications. It may be desirable for the CBC to substitute its own transmitters for those stations wishing to disaffiliate and substitute payments to other affiliates in replacement of their share of the network's advertising revenue. But there are other options as well.	81-84
33.	Some commercial participation by CBC stations and networks seems likely to persist. It is probably more important to increase the range and choice of Canadian programs than to eliminate advertising revenue.	85-88
34.	The advantages of additional CBC networks, especially in television, are listed.	88-89
35.	Consideration should be given to specialized networks in both television and radio services.	90-91
36.	The "further use" of broadcast programs are of prime importance at this time -- repeats, recordings, cassettes, publications, foreign sales.	91-92

		Pages
37.	In marketing CBC programs, profit from sales should not be the only consideration. The CBC (like other Canadian broadcasters) should maximize audiences by the multiple use of programs to which it has title.	93-94
	The CBC: Structure and Organization	
38.	The role of the CRTC and of the CBC Board should be more sharply defined, so that the CBC Directors can exercise their responsibilities without having another group acting as a review body.	100
39.	The Board of Directors should be regarded as trustees, with their powers delegated by Parliament; responsible for national program services and wise expenditure of public funds; accountable to Parliament, and answerable in a larger sense to the listening and viewing public.	100-01
40.	The arms-length relation to Government is essential.	101
41.	Thought must be given to improving the process through which CBC Directors are nominated.	101-2
	Recommendations for Chairman and Board	102-8
42.	Members of the Board should be selected for their capacity, integrity, and understanding of the CBC's responsibilities, rather than as a reward for party service in a particular region.	
43.	The CBC Directors should be authorized (and expected) to hold public meetings for the discussion of broadcasting objectives.	
44.	The Directors should be paid honoraria.	

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45. The functions of Board chairman and chief executive officer should be separated.

46. The Chairman of the Board should be designated by the Governor in Council.

47. The Chief Executive (or Chief Executives) should be chosen by the Board and responsible to them.

48. The Chairman should have a salary and probably be full-time.

including Acting Trustees

49. The Chairman and the Board should have their own secretariat.

50. A basic decision must be taken whether to retain the CBC as one entity, or divide it into two or more parts 109

51. This paper has concluded that the general mandate contained in the Broadcasting Act is applicable to every part of the national service, and in that sense the CBC is best regarded as one corporation.

52. There may be practical reasons for dividing the corporation functionally into two or more parts. If so, the division may be according to the two media, or the principal language employed. 110-11

53. There are, however, common support services which should not be duplicated by whatever division takes place. 111

54. On grounds of public policy, it seems advisable to have only <u>one</u> board of trustees (or Directors). 113

55. The CBC Board should take responsibility for the organizational structure within the Corporation.

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However, the broadcasting legislation must make provision for the Chairman of the Board, and should specify whether the executive authority is to be lodged elsewhere. This decision will affect possible lines of organization and accountability among senior officers in the CBC. 114-15

56. Two charts show possible organizational patterns that might be adopted by the CBC, assuming that the Chairman and the chief executive officer(s) are not one and the same. 116-17

57. The question of whether the chief executives should be located in the two network centres is discussed. 118-19

Finance

58. How the reporting of program expenditures has evolved. 120-23

59. Separate votes for various CBC operations have dangers of inflexibility unless the CBC's levels of funding for a three to five year period can be assured. 123-24

GENERAL CONCLUSION

I shall conclude by relaying the general tenor of the remarks of a Director who was a member of the CBC Board for some years, and who sat on its most important committees. He was especially concerned that the CBC do a responsible job in broadcasting, that it perform efficiently, and have a capacity to plan its operations in the most effective way.

From my notes I have reconstructed this former Director's remarks as follows.

"Let the government decide: Does it want a CBC or not? If its answer is that it wants a CBC, that a CBC is necessary to the life of this country, the government must take its responsibility seriously, and give the CBC the capacity to deliver what is expected of it.

"The most important thing is to assure the CBC of its funding for at least a three-year period. No organization can assure productivity and wise use of resources if it cannot predict its finances on more than a year-by-year basis.

"One cannot over-estimate the waste there has been in using the time of the President and senior staff in preparing for the numerous investigations and periods of review to which the CBC has been subject.

"The cost is not only the time spent in preparing answers to possible questions, but in anticipating what <u>may</u> be asked. The CBC goes through this travail every time it must appear before the CRTC -- as well as for its necessary appearances before parliamentary committees, or its responses to requests for budget cuts. There must be some end to it.

"Perhaps the present committee can induce the government to provide the continuity and assurances that the CBC must have if it is to do the important work we all expect. I cannot emphasize too strongly that the CBC must have more ability and capacity to plan for the future than it has so far been able to deploy.

"A final word: the CBC's ability to recruit or train executives equal to their tasks is limited by the ridiculously low salary paid to the CBC President. The CBC cannot offer the amounts paid in private industry to, let us say, a top Comptroller.

"If the CBC Directors had the authority to name their chief executive officer, and to determine his salary, a more efficient organization would result. Then if the accomplishments were not what Parliament and the public expected, the government would be justified in replacing the Directors, and getting a new team. Again, if the Directors had the power to nominate the chief executive, the government would be much more careful in their appointments to the Board."

These observations may have a different emphasis from those advanced in this paper, but are, I think, compatible with my own conclusions.